

Open Research Online

The Open University's repository of research publications and other research outputs

The globalisation of non-governmental organisations: drivers and stages

Thesis

How to cite:

Baguley, John Maurice (2004). The globalisation of non-governmental organisations: drivers and stages. PhD thesis The Open University.

For guidance on citations see [FAQs](#).

© 2004 The Author



<https://creativecommons.org/licenses/by-nc-nd/4.0/>

Version: Version of Record

Link(s) to article on publisher's website:
<http://dx.doi.org/doi:10.21954/ou.ro.0000e890>

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online's data [policy](#) on reuse of materials please consult the policies page.

oro.open.ac.uk

**THE GLOBALISATION OF NON-GOVERNMENTAL ORGANISATIONS:
DRIVERS AND STAGES**

John Maurice Baguley

B.A. (Hons), M.B.A.

A Thesis Submitted to the Open University

For the Degree of Ph.D.

In Business Management

The Open University

Walton Hall

Milton Keynes

MK7 6AA

Submitted April 2004

Answer No: K0017343
Submission date: 7 May 2004
Award date: 25 November 2004

ACKNOWLEDGEMENTS

I would like to thank with deep gratitude my supervisors, Chris Cornforth and Geoff Mallory, for their diligence, support and encouragement over the years this thesis has taken. Their help was invaluable throughout the process, and without their unflagging attention and enthusiasm it would never have grown from lofty concept to concrete reality.

Also I would like to thank all those in the Third Sector who gave freely of their time to fill out and return questionnaires, and who graciously spent precious hours in giving advice and comment, especially during the case study interviews and in answering my subsequent enquiries.

Equally, my friends and family especially Deirdre Morrow, Kitt Baguley and Sam Baguley without whose love, patience and practical support I would never have completed this particular journey.

ABSTRACT

Commercial companies and non-governmental organisations (NGOs) are internationalising at an increasing pace. Yet little is known about the management of NGOs during this process. Indeed, they have been neglected by comparison to the literature on companies.

This thesis draws on theories of how and why companies internationalise to determine whether the explanations they offer can be extended to cover NGOs. It considers the driving forces experienced by NGOs, the stages they pass through.

This was undertaken through a postal survey using results from 52 international NGOs from Europe and the US. The findings were later considered in relation to four case studies of NGOs; two relatively small NGOs, which have internationalised slowly, and two larger and faster NGOs, to give practical examples and a wider insight into internationalisation.

The results indicate that for driving force theories to be applicable to NGOs they need to take into account NGOs strong internal motivation to meet "needs", the varying influence of drivers on different NGOs and the separate roles drivers play for NGOs. For stage theories the results suggest that there are similarities and differences with companies, and that Federations may follow a parallel route to other NGOs.

The results also suggest that NGO managers should pay critical attention to the range of driving forces, both internal and external, that apply to their organisation.

Managers should also be prepared for problems with their overseas branches before they reach the stage of being "truly global"; NGOs, however, may be better suited to that stage than many companies.

TABLE OF CONTENTS

Title page	i
Acknowledgements	ii
Abstract	iii
Contents	v
List of tables	xi
List of figures	xiii
1. OUTLINE OF THE RESEARCH	1
1.1 Introduction	1
1.2 The Definition of Non-governmental Organisations	3
1.3 The Scale and Development of NGOs	5
1.4 The Comparison with Companies	9
1.5 The Plan of the Thesis	13
2. FROM MERCANTILISM TO GLOBALISATION	19
2.1 Introduction	19
2.2 Nations: The Background Theories	21
2.2.1 Mercantilism	21
2.2.2 Absolute Advantage	23
2.2.3 Comparative Advantage	24
2.2.4 Factor Endowments	25
2.2.5 Economies of Scale	29
2.2.6 Competitive Advantage	30
2.3 The Key Theories of Company Internationalisation	40

2.3.1	The History of Internationalisation of Firms	41
2.3.2	Terms and Definitions used of International Firms	44
2.3.3	Theories about the Forces Driving Firms to Internationalise	50
2.3.4	Stage Theories	74
2.4	Summary	80
3.	YIP, OHMAE AND RESOURCING EXPANSION: FORMING THE TWO PROPOSITIONS	84
3.1	Introduction	84
3.2	Yip's Globalisation Drivers	90
3.2.1	Market Drivers	93
3.2.2	Cost Drivers	97
3.2.3	Government Drivers	99
3.2.4	Competitive Drivers	101
3.2.5	Other Drivers	104
3.3	Ohmae's Model	107
3.4	Development of the Two Propositions	111
3.4.1	Globalisation from Below	111
3.4.2	The First Proposition	112
3.4.3	The Second Proposition	113
3.5	Summary	116
4.	RESEARCH DESIGN AND METHODOLOGY	117
4.1	Introduction	117
4.2	The Survey	119

4.2.1	Research Design	119
4.2.2	Exploratory Research	120
4.2.3	The Postal Survey	124
4.2.4	Population	126
4.2.5	Population Size	129
4.2.6	Operationalising the Variables	131
4.2.7	How Yip's Drivers were Operationalised for NGOs	133
4.2.8	How Omae's Stages were Operationalised	138
4.2.9	Calculating the Speed of International Development	142
4.2.10	The Questionnaire - Layout and Wording	142
4.2.11	The Pilot Survey	147
4.2.12	Reaching Non-responders	148
4.2.13	The Route to Analysis	148
4.2.14	How the Responses were Analysed	149
4.3	Case Study Research Design	154
4.3.1	Why Case Studies	154
4.3.2	The Questions and Data Collection	156
4.3.3	Composing the Case Study Report	157
4.3.4	Case Study interviews	158
4.3.5	The Case Descriptions	159
4.4	Summary and Conclusions	163
5.	PROPOSITION I: ANALYSIS OF THE EFFECT OF DRIVERS ON NGOs	166
5.1	Introduction	166

5.2	Individual Drivers	169
5.2.1	Economic Drivers	169
5.2.2	Political Drivers	172
5.2.3	Competition Drivers	175
5.2.4	Marketing Drivers	177
5.2.5	Technological Drivers	180
5.2.6	Social Drivers	183
5.2.7	Globalisation Drivers	186
5.2.8	Analysis of Individual Drivers	191
5.3	The Influence of Drivers on Different Types of NGO	194
5.3.1	Considering the Individual Drivers	194
5.3.2	Considering the Drivers Grouped into Blocks	196
5.3.3	Considering the Blocks of Drivers Separately	197
5.4	How Drivers affect the Rate of Internationalisation	198
5.4.1	The Rate of Internationalisation	198
5.4.2	The Effect of the Blocks of Drivers on the Rate of Internationalisation	202
5.4.3	In the Last Three Years	205
5.4.4	The Effect of Individual Drivers	207
5.4.5	Comments	211
5.5	The Effect of the Most Influential Drivers	214
5.5.1	Which Blocks of Drivers Influence the most NGOs	218
5.6	Drivers Analysis Summary and Conclusions	220
5.6.1	Grouping the Drivers	222
5.6.2	The Effect of Individual Drivers	222

5.7	Reported Steps and External Events	225
5.8	Deepening the Understanding: the Case Studies	228
5.8.1	Comparison of the Effect of Drivers	228
5.8.2	Economic Drivers	230
5.8.3	Political Drivers	231
5.8.4	Competition Drivers	233
5.8.5	Marketing Drivers	234
5.8.6	Technology	235
5.8.7	Social Change	236
5.8.8	General Globalisation Drivers	237
5.8.9	Driven by Need?	238
5.9	Comparison with Survey Results	240
5.10	Companies and NGOs: Need and Profit	244
5.11	Conclusions	246
6.	PROPOSITION II: DO NGOS TAKE SIMILAR STEPS TO COMPANIES?	248
6.1	Introduction	248
6.2	Analysing the Survey Responses	252
6.2.1	Survey Summary	255
6.3	The Case Studies	258
6.3.1	Karuna Trust	259
6.3.2	Africa Now	262
6.3.3	Leonard Cheshire	264
6.3.4	IPPF	269

6.4	Comparison of Case Study Findings	273
6.5	Comparison and Conclusions	281
6.6	Overall Conclusions	285
8.	SUMMARY AND CONCLUSIONS	288
8.1	Introduction	288
8.2	What Drives NGOs	294
8.3	The Stages Taken by NGOs	301
8.5	The Implications for Theory	305
8.6	The Practical Implications for NGO Management	316
8.7	Areas for Further Research	320

APPENDICES

Appendix 1	Timetable	324
Appendix 2	Questionnaire Pilot Recipients	327
Appendix 3	The Covering Letter	328
Appendix 4	The Questionnaire	329
Appendix 5	Non-return Bias	345
Appendix 6	Coding and Analysing the Measures	350
Appendix 7	Boxplots	353
Appendix 8	The Case Study Descriptions	354

BIBLIOGRAPHY	363
---------------------	------------

LIST OF TABLES

2.1	The Transition to "Transnational"	47
2.2	An Organising Framework for Global Strategies	56
2.3	An Organising Framework for Theories of Internationalisation	58
4.1	Cost Factor Drivers and their NGO Equivalent	133
4.2	Political Factor Drivers and their NGO Equivalent	133
4.3	Competition Factor Drivers and their NGO Equivalent	134
4.4	Market Factor Drivers and their NGO Equivalent	134
4.5	Technological Factor Drivers and their NGO Equivalent	134
4.6	Society Factor Drivers and their NGO Equivalent	135
4.7	General globalisation drivers and the NGO Equivalents	135
4.8	Ohmae's stages and their NGO Equivalents	138
4.9	Additional NGO stages	139
4.10	The Case Studies Differentiated	155
5.1	The Perceived Influence of the Economic Drivers	170
5.2	The Perceived Influence of the Political Drivers	173
5.3	The Perceived Influence of the Competition Drivers	175
5.4	The Perceived Influence of the Market Drivers	177
5.5	The Perceived Influence of the Technology Drivers	181
5.6	The Perceived Influence of the Social Drivers	184
5.7	The Perceived Influence of the General Globalisation Drivers	187
5.8	The Mean Influence of Blocks of Drivers on Different Types of NGO	196
5.9	The Fastest Internationalising NGOs	201

5.10	The Slowest Internationalising NGOs	202
5.11	The Fastest NGOs by Driver	203
5.12	The Slowest NGOs by Driver	204
5.13	A Comparison of the Slowest and Fastest NGO Drivers	204
5.14	NGOs Forming more than Five New Branches in the last Three Years	206
5.15	NGOs whose Number of Branches stayed the same in the last Three Years	207
5.16	Comparing Individual Drivers: Fastest against Slowest	208
5.17	Comparing Individual Political Drivers	208
5.18	Comparing Individual Competition Drivers	208
5.19	Comparing Individual Market Drivers	209
5.20	Comparing Individual Technology Drivers	210
5.21	Comparing Individual Social Drivers	210
5.22	Comparing Individual General Globalisation Drivers	211
5.23	The most Influential Economic Drivers	214
5.24	The most Influential Political Drivers	214
5.25	The most Influential Competition Drivers	215
5.26	The most Influential Market Drivers	216
5.27	The most Influential Technological Drivers	216
5.28	The most Influential Social Change Drivers	217
5.29	The most Influential General Globalisation Drivers	218
5.30	Individual Drivers	219
5.31	Reported Drivers	226
6.1	NGO's International Development by Stages	252

LIST OF FIGURES

4.1	The Stages from Methodology to Analysis	118
4.2	The Route to Analysis	149
5.1	Internal and external drivers and facilitators	243

CHAPTER 1

The Outline of the Research

1.1 Introduction

Anheier (2002) reports that commercial companies and non-governmental organisations (NGOs) have been developing internationally at an increasing pace. He suggests that, for NGOs, this was a relatively new phase, which included the rise of international NGOs, especially in the 1990s, who immersed themselves in an extensive dialogue with governments at all levels as well as with businesses. He points to a surge in growth of international NGOs in the 1990s and 2000s linked to a growth in information technology and funds available. During this time, governments and funding institutions greatly increased the flow of development funds through international NGOs. For example, in 1980 more than US\$4.7 billion was transferred to Latin America, Africa, and South Asia from industrial nations through nongovernmental channels. In 1987 \$5.5 billion was transferred through NGOs (Reilly, 1995). By 1999 this had increased to \$6.5 billion (Greensmith, 2002). This represents a movement of government resources towards NGOs, which are increasingly seen as effective agents in the creation of civil societies. This marked a fundamental change from previous funding, which took place primarily through the state.

These international NGOs are often substantial organisations, which may have over 100,000 individual supporters, more than 100 staff members (The Voluntary Agencies

Directory, 2001) with a turnover of over £10m (CAF Dimensions of the Voluntary Sector, 1997). They may be concerned with a wide range of issues from pressure groups like Greenpeace or Amnesty International, to development organisations like CARE or Oxfam, and include those with a narrow focus like age, such as, HelpAge International or Save the Children, or medical charities like SightSavers or the Multiple Sclerosis Society. Some NGOs may focus on single countries and others on a region or the whole world.

The body of academic literature dealing with company internationalisation is developing in its depth and sophistication (Bartlett & Ghoshal, 1989; Ohmae, 1996; Yip, 1995); but there are virtually no academic studies concerning the international development of NGOs in their own right.

The aim of this thesis is to begin to fill this gap in knowledge, and examine what factors influence decisions by NGOs to internationalise. In particular, it examines the driving forces behind NGO internationalisation and the stages taken. The examination of the driving forces and stages draws on and extends theories based on company research, which are adapted in this thesis for NGOs. It is the management of the process of internationalisation that is the primary focus of this thesis.

This chapter examines the definition of NGOs used in this research and sets the context for the research. It sets out the scale of development of international NGOs, and compares the management of that process with the management of company development. It finishes by setting out a plan of the whole thesis.

1.2 The Definition of Non-Governmental Organisations

Before considering NGO internationalisation in more depth, it is useful to look more closely at what is meant by non-governmental organisations, and how they are defined for the purposes of this research, because definitions vary greatly. Broadly they are organisations working outside the market sector (they are non-profit making), are not part of the state sector either and characteristically have a voluntary governing body. Salamon and Anheier, (1996) define NGOs as those organisations that share five common features. These are; that they are formally constituted, they are organised separately from government, non-profit seeking, self-governing and voluntary to some significant degree. They point out that though voluntary organisations are non-profit seeking they often engage in commerce, and private fees are their largest single source of income followed by public sector support.

They were then able to apply this definition in their research in six developed countries (Italy, Japan, UK, France, Germany and USA), one former member of the Soviet Union (Hungary) and five developing countries (Egypt, Brazil, Ghana, Thailand, India). This thesis follows their research in accepting two other limiting factors; the first that they are non-religious and the second non-political. The exclusions apply to religious organisations whose main purpose is evangelical or pastoral such as the missionary organisations or to churches themselves, and to political parties such as the Green Party who may have international links. However, many NGOs have a religious base in that they were started by people from one denomination, and may still be largely staffed by people of that faith

though they do not proselytize, (e.g. Christian Aid) or seek political action and are not affiliated to any political party (e.g. Greenpeace) and these have been included in the research.

In the UK, those NGOs which are registered with the Charity Commissioners are known as charities (a few, like Free Tibet Campaign, do not have charitable status). When their principal function is grant making they are commonly known as charitable trusts, foundations or simply grant making trusts. In the US those registered with the Internal Revenue Service (IRS) as 501(c)(3) companies have a similar (though not identical) status and are usually known as non-profit or not-for-profit organisations. Where they are grant giving they are usually known as foundations or grant making foundations. All the preceding organisations are at times called voluntary organisations, because they usually have a volunteer board at the head of the organisation and tend to employ a number of volunteer workers in a large variety of roles. For the purposes of this thesis, the term NGO is used to cover charities, voluntary organisations, non-profit or not-for-profit organisations. Grouped together these organisations are often known as the voluntary or third sector. Grant making organisations usually give funds to other NGOs to carry out their objectives. Where these NGOs have partners or branches overseas to which they provide funds, services or information they come under the purview of this thesis, as internationally established NGOs or international NGOs. It is the process they may undertake of opening new branches or partners, especially in new countries, that this thesis refers to as their international development or internationalisation. Federations linking NGOs undertaking the same type of work in several countries and co-ordinated by a

headquarters are also included. Charities or foundations that only provide grants to overseas bodies are excluded as they do not usually develop branches or partners overseas. Branches and partners are defined and differentiated later.

As mentioned in the introduction, international NGOs are expanding rapidly and taking on a much wider role than in previous years; often being the chosen vehicle for meeting governments' social concerns, not least in the field of building civil societies in countries with former command economies and dictatorships. In these circumstances it is pertinent to ask if lessons can be learnt from the practice of companies, which have internationalised far earlier and in much larger numbers and for which there is an increasing body of academic literature.

1.3 Scale and Development of NGOs

The relatively large scale and rapid development of NGO activity deserves consideration. Anheier (2002) reports that though comprehensive statistics are not available it is clear that international NGOs have a serious economic presence. Salamon and Anheier (1996, p xviii) taking research from the US, the UK, France, Germany, Italy, Hungary, and Japan report that the non-profit sector, as they define it, is a major economic force "employing 11.8 million workers in the seven countries for which complete empirical data were compiled. It thus accounts for one out of every 20 jobs and one out of every 8 service jobs." They add that the non-profits in each of these countries employ more people than the largest company by 6 to 1. Indeed, the true scale of NGOs is probably much greater than

these figures suggest, as they do not include volunteers, which form a large part of the workforce of many NGOs.

Anheier (2002, p3) states "in contrast to previous historical periods, the state seems less challenged by foundations - to the contrary governments and international organisations alike welcome foundation involvement in a broad range of activities and fields". He cites employment statistics as a measure of NGO size revealing that the non-profit sector in the USA amounted to 6.0% of total employment with 4.0% in the UK, and France 4.2%, Germany 3.7%, Japan 2.5% and Italy 1.8% (Anheier 2002, p34). Anheier does, however, use an unusually wide definition of this sector; including organisations deriving over half their funds from governments or from fees, which are sometimes classified as quasi-governmental or commercial organisations. In the 1996 World Development Report, the World Bank recommended that one of the important steps governments undergoing transition can take is to make NGOs legal and to provide tax advantages or some explicit funding for their activities. Moves such as these help to create an enabling environment for civil society development, and to support NGOs in their efforts to achieve financial stability (Hudock 1997).

By comparison to commercial activity, however, the sums are small. For example, foreign direct investment (FDI) worldwide in 2001 was \$735 billion and that was half the amount of the previous year due to the fall of technology stocks in the US according to UNCTAD (2003). Total voluntary sector income in the UK, was estimated by the Charity

Commission, at only £16 billion in 1996 including that available for overseas work or investment.

The scale of the available resources for some regions, however, grew steadily in the 1990s. In 1994 Germany channelled US\$2.6 billion and the United States US\$2.4 billion to Central, Eastern European and Former Soviet Union countries increasingly through and for NGOs. This was an increase of nearly 50% over the previous year. By the end of 1993, there were 11,884 associations and foundations in Hungary. In 1994 in Slovakia the number of registered NGOs reached 9,800, employing 3,500 workers and 381,000 volunteers. Poland in 1996 had a reported 80,000 NGOs with 4 million people (including volunteers) active in them. There is often a similar pattern outside Eastern Europe. In association with the recent democratisation in Nepal, for example, NGOs have increased from 300 in 1991 to over 3,000 in 1993 (Fowler and James, 1994). Not all Southern NGOs are, however, able to meet donors requirements for carrying out their programmes. Without satisfactory evaluations of NGO practice and performance, funds are likely to be curtailed or switched to alternative recipients or even alternative regions. As a result a number of Northern NGOs are undertaking capacity-building programmes with Southern NGOs to assist them in gaining access to these resources or developing their own branches and partnerships overseas and, in so doing, joining a host of long established international NGOs.

Very little attention has, however, been paid to this latter process, whereby NGOs either internationalise under their own brand name through branches, or develop partnerships

(perhaps via capacity building activity), both of which may be equated to companies developing overseas ventures using FDI i.e. by investing funds in setting up overseas operations. As Hymer (1976) has indicated FDI often involves the transfer of less tangible items such as management skills, entrepreneurship and various technologies. It must be said, however, that only a very small proportion of NGOs are international in this way. In 1996, for example, there were only 417 NGOs in the US recorded by USAID as involved with international relief. Of these, the largest 25 accounted for 60% of all expenditure (Ditcher, 1999). Of the 180,000 charities registered in the UK there are only a few hundred international NGOs listed in current directories. Most charities in the UK are, however, very small and only a few of the larger charities operate overseas. Development NGOs tend naturally to expand into the areas where they are meeting needs such as Africa and India, but campaigning organisation may start with strong branches in Western countries before targeting or being invited to start up in developing countries. In either case, the organisation may fulfil its objectives by sending funds, information or people overseas rather than internationalising by establishing a more permanent presence in another country through branches, partners or by establishing a federation.

International NGOs cannot hope to avoid being influenced by the whole process of globalisation. As Salamon and Anheier (1996 p129) have said, "...the fact remains that nonprofit organisations cannot afford to ignore the global developments taking place around them. In one fashion or another, they must adjust their operations to cope with an increasingly interconnected global scene." An examination of the processes involved in managing this adjustment, or lack of it, is at the heart of this thesis.

1.4 The Comparison with Companies

David Lewis (2001) has argued that there can be a reconciliation between the views of those who believe that NGO management can learn a great deal from the practices of company management because they face similar problems, and those who argue that NGO managers face a set of problems not present in a for-profit company environment. The latter include the management of volunteers, the tension between mission and internal values and often a wider set of accountabilities (Mason, 1995). This is on the basis that there are distinct problems for NGO managers, but their overemphasis has led to a neglect of useful management ideas adopted by companies. Though there are distinctive characteristics held by commercial companies there are also similarities of culture and organisation (Lewis, 2001). Lewis also stresses that the study of the management of NGOs has had a much lower priority than other research into NGO activities and has not yet fully connected with much of organisational theory. Paton and Cornforth (1992) argue that the lack of clear understanding of business management by NGO managers has made it hard for them to appreciate the aspects of commercial management that may prove useful to them.

They also give four key areas where companies and NGOs may differ. These are in their purposes, resource acquisition, stakeholders and governance and culture. Taking these in turn, companies exist to create profits, but NGOs exist to meet a variety of needs; making measurement and planning more complex for NGOs, though companies can face similar situations. In the case of resource acquisition, which at first may appear distinctive in

NGOs, they point to similarities especially with service industries. Again stakeholders and governance play a similar role in each sector, though comparisons can be selected to give a sharp contrast between the sectors. Lastly in the case of culture they point to the variety in both sectors, whilst acknowledging the intense commitment often characteristic of NGOs and the logic inherent in their different managerial solutions. They argue, however, that differences are not black and white or absolute but much more a matter of degree. It is this matter of degree which enables theories of company management to be considered, albeit with some adaptation, by NGO managers.

In making any comparison with theories concerning commercial enterprises it is as well to be clear how commercial transactions compare to those of NGOs. In companies the product sold or service delivered in exchange for money is usually obvious. In this thesis, it is understood that the NGO "product or service" is what the NGO gives in exchange for the donation or grant mentioned above. For a company there is an immediate connection between the service sold and the payment received. For NGOs there is often a much looser connection depending on the type of donor and nature of the donation. An institutional funder like the EU may give a grant for a specific purpose and then require monitoring and an evaluation of how that task has been carried out; but an individual funding an organisation say, as a member will often be content for their membership fee to be used for general purposes and to read about aspects of the organisations work in a newsletter.

An NGO (or an overseas branch of an NGO) may carry out both the functions of undertaking the NGO's programme work and fundraising. In this respect it faces in two

directions. In one way to its "donors" who fund it (perhaps setting certain conditions that must be met) and in the other to its "clients" who are the recipient of its services. A public companies *raison d'etre* is often taken to be the making of a profit for its shareholders, and in the case of a private company the making of profit for the owner or owners. Though NGOs do not have shareholders or accumulate profit to be passed on to such third parties they are responsible to their donors for any guarantees given in exchange for that donation. They also need to at least break-even to maintain services, and usually need to generate a surplus to fund new developments.

Other stakeholders, however, also need to be taken into consideration by both types of organisation such as the government who may frame legislation designed to shape companies activities for the public good. Both NGOs and companies have boards or councils who exercise governance over the activities of the organisation (though the structure of these boards can be rather different), and both have staff who will attempt to influence the strategy and actions of the organisation.

NGOs are often in intense competition for funds; endeavouring to secure and retain individual donors, donations from charitable trusts and foundations as well as governments and inter-government agencies in a similar way to companies attempting to retain their customers for repeat purchases and enlarge their share of different markets. Of course, an international NGO's main function is to deliver a variety of programmes to its clients overseas, which are carefully crafted to meet certain needs; and to do this they must either

work through branches and /or partners or become "operational" delivering the service themselves on the ground.

This intense focus on the needs of these clients and the lack of a manufactured product makes NGOs more akin to service companies such as insurance companies, banks and magazines. Unlike such companies, NGOs, however, do not offer a standardised service and they are, perhaps, more like consultancies or educational organisations in that they offer a product often tailored to the individual needs of their clients. In internationalising, NGOs will therefore be less concerned with the processing and flow of materials which are to be converted into stock (products), which are consumed later, and more with the servicing of these two key sets of stakeholders (clients and donors). On the one hand by assessing and meeting needs that could involve dealing with long-term strategic considerations, a short term crisis etc. and on the other reporting back or otherwise engaging with the acquisition and management of various donors.

This work, often called the "programme activities", of NGOs to which the funds are devoted is, as noted above, often similar to a service delivery operation. In the supply of manufactured goods the buyer can see the goods, make comparisons with other goods on offer and come to an informed decision. In the supply of services there is less transparency. The health care system, for example, is harder to sample before use and the doctors have knowledge not available to the patient or client. Service companies as well as manufacturing companies are, however, competing on a worldwide basis. Michael Porter (1990 p14) has noted that, "Competition in many industries has internationalized, not only

in manufacturing industries but also in services. Firms compete with truly global strategies involving selling worldwide, sourcing components and materials worldwide, and locating activities in many nations to take advantage of low cost factors. They form alliances with firms from other nations to gain access to their strengths." The part that NGOs play in this picture is an increasingly large and important one.

1.5 The Plan of the Thesis

The next two chapters review the existing literature by examining the theories of internationalisation, which are primarily concerned with commercial companies. This examination is divided into background theory, which covers the field of literature on internationalisation, and focal theory, which narrows this down to the theories which are of immediate relevance to the research. The focal theory is where "you spell out in great detail precisely what you are researching and why" Phillips and Pugh (2001, p60).

Chapter Two looks at the background theory that has developed from the theories of international trade by nations, which is also covered to provide historical continuity. This field has recently been given a strong impetus by the realisation that globalisation, as distinct from internationalisation, presents new opportunities and new problems for managers though "globalisation" itself is defined differently by different authors. Dunning (1993, p11), for example, talks about a "global" corporation being one that "engages in value-added activities in each of the major regions of the world and which pursues an integrated strategy towards each of these activities". Dunning also considers that the advantages of internationalisation (engaging in one or more countries) were often

considered to be country specific, with little consideration of global organisational issues, for example, the reduction of organisational risk. Ohmae (1991, p93) on the other hand considers the problem of becoming a truly global company is one that is "at base, psychological, a question of values." Other theories and definitions are also considered.

In particular, Michael Porter's (1990) cluster theory is discussed, because of its possible relevance to the global distribution of NGOs and its scope in addressing the pre-requisites and context of international development; perhaps showing why the majority of international NGOs are based in the UK and USA.

During the course of this research, the speed of external change and the volatility of markets meant that the literature dealing with globalisation was constantly evolving. The theories cover diverse ground; such as the best method(s) of internationalisation, the most effective way to manage an international company, the stages companies go through en route to becoming global concerns and the "drivers" that push or pull companies into establishing and developing international companies or networks of companies. There are, however, a limited number of objectives that research of this nature can undertake, given the constraints of time and money, and the field was narrowed down to focus on the drivers, the stages and, as mentioned above, the financial resourcing of internationalisation. This focus was taken to lay the foundations for consideration of why NGOs develop internationally, how they undertake that development and how that expansion is resourced.

Chapter Three examines the focal theories from which the propositions on which this research is based were developed. They were chosen to help understand why and how NGOs have internationalised, by comparison with commercial companies. The key theories for this thesis, which look at the stages commercial concerns pass through and the factors driving them are respectively; the stage model of Kenichi Ohmae (among others) and the globalisation "drivers" theory of George Yip. Ohmae (1994) set out a globalisation strategy; which involved the deliberate process of moving through a set of five stages towards the final stage when the company would be truly global and could therefore take full advantage of the opportunities presented by globalisation and minimise the risks.

Yip (1995) encouraged managers to pay attention to certain "drivers" in their external environment, which influence the process of globalisation, and to use these drivers to fashion a global strategy rather than a country by country stand-alone strategy. His drivers were grouped into a set of categories; market drivers such as "increasing travel creating global customers", cost drivers such as "increasing cost of product development relative to market life", government drivers such as "creation of trading blocks", competition drivers such as "continuing increase in level of world trade" and other drivers such as "globalisation of financial markets".

As the following chapters will show, these theories have been selected from an increasingly large pool of rival and often conflicting ideas. These ideas are usually based on cross-sectional research into companies current practice, using contemporary case studies, rather than on the search for a historical pattern from longitudinal studies. This

research draws its data from NGOs, looking at the process of NGO internationalisation over time; and seeking to suggest guidelines of best practice for NGO managers to use in developing and managing their worldwide businesses. The propositions derived from the focal theories are used to elicit a wide range of responses showing why and how managers organise the international development of their organisations. The two propositions discussed are set out in Chapter 3. The first concerns the effect of Yip's drivers, or rather their NGO equivalents, on the internationalisation of NGOs, and the second on the stages that NGOs might reach in their process of international expansion.

The research methodology is described in Chapter 4. This covers the exploratory research, the development of the postal survey, its piloting and revisions, and the decision to conduct four case studies of NGOs. The population for this research was principally the international NGOs listed in the Europa International Foundation Directory (1996) and the NCVO Voluntary Agencies Directory (1996), though these did not always contain full details of the NGOs' overseas activities. Once these sources were found and a preliminary research design undertaken, exploratory interviews were conducted with people responsible for international development in four NGOs. Their responses formed the basis for selecting the research instrument, a postal survey as opposed to telephone enquiries, and developing the questions. This survey was then piloted to a group of directors of development of international NGOs and the instrument refined with the help of their comments. Chapter Four discusses how the propositions were tested, the variables operationalised and the methods employed.

The results are examined in Chapters Five and Six, which discuss the propositions in turn and cover both the survey data and the case studies. The findings from both are combined in the summaries at the end of each chapter.

Chapter Five examines the factors that drive NGO internationalisation. It examines clusters of drivers and individual drivers adapted for NGOs from those mentioned by Yip (1995). It then analyses the variations that occur across different types of NGO and how drivers affect the rate of internationalisation. The effect of the most influential drivers is discussed apart from the others. Other factors brought out in the survey, which may constitute driving forces for NGOs, are then considered. The chapter finishes with consideration of the case studies, comparing their responses with the survey analysis.

Chapter Six analyses the pattern of stages taken by NGOs in their internationalisation, resulting from the survey data, and compares it to a modified version of Ohmae's model. The case studies are then used to examine the steps taken as the organisations moved from stage to stage, remained at a stage or reverted to an earlier stage. The survey and case study data was then compared to consider, in more depth, the process of internationalisation.

Finally, Chapter Seven reviews the research, looking at the context provided by the literature and how the three propositions were developed. It then considers the results of the survey and the case study findings regarding in turn the driving forces and stages of internationalisation.

The conclusions, based on this consideration of the results, are then set out in regard to each of the propositions. Following from these conclusions, the implications for management theory are developed. The chapter concludes by also looking at the implications for management in practice and developing ideas for future research.

CHAPTER 2

From Mercantilism to Globalisation

2.1 Introduction

The chapter discusses the theories regarding the international trade of nations and looks at theories regarding the internationalisation of companies; which followed and built upon the theories of national trade. Company theories are discussed in two groups with reference to NGOs. The first looks at why they internationalise, and what may be said to drive them through that process. The other looks at how they internationalise in terms of the stages they may go through. Two of these theories are then selected, one from each group, and are further discussed in Chapter 3, where the three propositions which inform this thesis are introduced.

Section 2.2 traces the development of theories of international trade and their evolution to theories about the internationalisation of companies. It starts by looking at the trade between nation states, and moves from ideas of mercantilism through the theories of absolute and comparative advantage to those regarding factor endowments and economies of scale. More recently Porter (1990) has examined the "comparative advantage of nations" showing possible reasons why certain countries produce companies who are strong global competitors in certain product areas and not others. This is then discussed in terms of the international development of NGOs, and the greater extent of internationalisation by those NGOs based in the UK and USA. Porter's theory is dealt with at some length because, though it is a comparatively recent theory, it helps to form a transition from studies of

nations to those based on individual firms. It also helps to introduce NGOs into the discussion and sets some of the background for later considerations on the population of NGOs that this research investigated.

Contemporary theories of international trade are largely concerned with companies. Bartlett & Ghoshal (1989) using ITT, Unilever and Philips as examples examine their ability to act "multi-nationally" by building a portfolio of multiple national identities. These companies moved their operations and offices to favourable locations around the world, built strong links to the host countries governing structures and planned developments with a world-wide strategic mindset that is now called global. This largely freed them from many of the restraints that might be imposed on national companies by governments.

However, this may be an overly simplistic approach, and Section 2.3 examines stage theories of international development and starts by considering Dunning's (1993) five stages of development leading to today's multinationals. To demonstrate the importance of this development it should be appreciated that in the 1980s another shift may have occurred due to the gathering pace of trade liberalisation, and McKiernan (1992 p81) notes that, regarding the foreign direct investment of funds (FDI) "between 1983 and 1988 FDI worldwide rose by more than 20 per cent annually - four times faster than world trade. By 1988, the worldwide stock of FDI assets by the G5 nations of USA, Japan, West Germany, Britain and France was a colossal \$757 billion or 75 per cent of total world stock."

This phenomenon has brought with it a plethora of explanations about the internationalisation of firms and advice for managers in developing effective international or global strategies, some of which are considered here in more depth, but not before a note is taken of the various terms used for international companies and the implications of those terms. This provides a background to the following selection of theories, which are grouped into theories loosely described as "driving" internationalisation such as the ideas of product lifecycle and "stage theories" such as the Upsalla model. No comparable research on the management of the process of the internationalisation of NGOs has, however, taken place and this thesis seeks to begin filling that gap in the literature.

From the above groups of theories are drawn two key theories, one from those dealing with "drivers" (Yip, 1995) and one from the "stage theories" (Ohmae, 1994), which lead, in the next chapter to two of the three propositions.

2.2 Nations: The Background Theories

These theories are given as a precursor and base for understanding the latter research into the internationalisation of companies introduced in Section 2.3. The theories regarding company development give greater scope for comparison with the development of NGOs than these classical theories which deal mainly with the production and export of goods.

2.2.1 Mercantilism:

This straight forward theory often influences how international trade is thought about and the balance of payment's surpluses and deficits. It states that an export surplus leads to an

influx of gold etc., which improves a nation's prosperity. This wealth (gold) accumulation was often used to build up the nations' military and other institutions in order to strengthen governments of newly developing countries as they emerged into nationhood. Where this policy is practised today it is called neo-mercantilism. McKiernan (1992) cites the use of oil related revenue surpluses by Iraq to build a formidable military machine as a contemporary example of this practice.

Early trade was often in such things as minerals, silk, and spices which were not found in every country and required low technology and a relatively unskilled labour force to exploit.

Mercantilism and other early theories such as those of absolute and comparative advantage of nations, made various assumptions. For example, the market for cross-border exchange of goods was supposed to be costless; resources were assumed not only to move across borders, but to be mobile within countries; firms were assumed to engage in only one activity and entrepreneurs were taken to be profit maximisers with managerial activity confined to choosing the optimum level of output and keeping costs at their lowest point. As Dunning (1993) pointed out, once imperfections are allowed for in products or factor markets alternative strategies, ways of managing and other explanations may be developed. It is clear that these early assumptions became less and less tenable as time passed and both knowledge of market operations and their complexity increases.

NGO activity too is more complex than the assumptions of mercantilism allows for. Knowledge, for example is a resource that NGOs move across borders. It is rarely purely entrepreneurial and the mix of programme work and income generation provides dual motivations that this theory cannot fully account for as NGOs are not profit maximisers. It is also closer to a service industry than an industry that produces a physical product, and mercantilism fails to deal effectively with service industries particularly those where the product is usually provided free of charge.

2.2.2 Absolute Advantage

Adam Smith (1776) set out his classical theory of absolute advantage in his famous book "The Wealth of Nations". He thought that a nation exports if it is the world's lowest cost producer thereby giving it a price advantage. He believed that the wealth of nations was not reflected in its gold accumulation, but in the goods and services available to the population, and that this beneficial activity would be at its height under free trade, (McKiernan 1992).

In the 18th and 19th Centuries trade and production was already beginning to become more complex in the availability of manufactured and other goods, the opening up of new countries with which to trade and the increasing level of that trade. This intensified in the latter stages of the industrial revolution.

NGO activity, which in 1776, was primarily religious is not effectively accounted for by a theory based on imports and exports because religion was not bought like a commodity but acquired by an act of faith and was not exported like cloth but aimed at the saving of souls,

albeit that the missions did their best to become at least self-sufficient. In so far as free trade was linked to the free passage of religious ideas, missionaries and other members of religious orders its maximisation was congruent with Adam Smith's expectations

2.2.3 Comparative Advantage

The theory of comparative advantage was outlined by David Ricardo ([1817] 1911), who in refining Adam Smith's work, stated that resources are allocated to the most productive industries; therefore a nation may still import goods where it could also be the lowest cost producer. The theory is based on labour productivity such as in the South Korea of a few years ago, which had plenty of low cost labour leading it to specialise in exporting clothing and electronic products. The end of WWII saw the beginning of an era of highly skilled labour which combined with high level technology gave great competitive advantages over the ordinary costs of production, Porter (1990). The Korean government had invested heavily in education giving Korea one of the highest percentages in the world of students attending university. They also heavily favoured high level technological development giving companies in that field tax and other advantages. This tended to confirm the strength of resource allocation (in this case to technology and education) to transform factor costs, as well as creating product differentiation (which became defining characteristic of Korean industry), and undermining still further the theory of factor cost advantage in international trade.

Although this theory was an advance on the previous ideas it did not help to explain the international growth of NGOs, because their overseas development at the time was still

largely related to missionary work rather than the selling of products, and so the cost of production was relatively unimportant.

2.2.4 Factor Endowments

Heckscher (1919) and Ohlin (1933) developed and refined Ricardo's ideas of comparative advantage. The factors of production, traditionally land, labour and capital (though they are really just the key inputs needed for manufacture) are available in different amounts and usefulness in different countries, although it is assumed that technology is the same. Intensive use of factor endowments gives a nation comparative advantage. As Ohlin (1933) pointed out government's power can still be strong because it can have a large degree of influence over these factors if it chooses. They can keep interest rates low to make capital cheap, control wage increases, set subsidies and give financial favours to certain exporters to increase their competitive edge.

McKiernan (1992) gives examples of countries maximising the use of factors such as those of Sri Lanka using its labour resource to build Morris Minor cars which needed a lot of physical labour, some twenty years after manufacture in the UK ended; Taiwan, Hong Kong and the Netherlands building skilled labour resources to counter their lack of land; and countries with an abundant supply of labour but little capital like India, Iran and Tunisia using their labour to produce items such as carpets which require little capital but are highly labour intensive.

The view that government have the ability to influence international events is challenged by Porter (1990) at least in respect of the targeting of certain industries in the hope of creating international competitiveness. Porter states that "Government is an important actor in international trade, but rarely does it have a starring role" (p 4). His research, using teams of researchers, looked in depth at ten advanced nations and concentrated on the process of gaining and sustaining competitive advantage in relatively sophisticated industries. He quotes his own research listing such failures of government intervention as Japan's attempt in 1971 to create an internationally viable aircraft production industry or in 1978 a software industry. Neither have traditional studies of Japan's apparently successful investments in sewing machines, steel and shipbuilding been demonstrated to be true in the light of sophisticated investigation; or have Korea's targeting of chemicals or machinery proved the answer to developing serious international market positions. Nearer to home, Porter quotes the Italian government's policy towards industry as one that is acknowledged to have been unsuccessful, though Italy has excellent export industries and a rapidly increasing standard of living.

Porter (1990) goes on to set out the Heckscher-Ohlin model by saying that, nations are endowed with different strengths in the factors of production. This leads those nations with such advantages to develop a comparative advantage in the relevant industry in comparison to less well-endowed nations. This will apply to those industries that have a high dependency on those particular factors the nation has in preponderance. It would mean that Sweden with iron ore deposits with low phosphorous impurities would develop a strong exporting steel industry. Zambia with large accessible mineral deposits of copper

would export copper (or copper products) and countries with plenty of arable land would export crops. This extends the theory of comparative advantage beyond the Ricardian model that centred on the productivity of labour.

Porter also, however, criticises the model by recognising that today factor endowment is often not necessary. Factors can be mobile like capital, for example, Korea's eventual export development without a native capital base in capital-intensive industries like steel, shipbuilding and automobiles after WWII. Porter maintains this example despite the Korean government's policy of concentrating loans to the "chaebols" (favoured Korean companies) that operated these industries. Factor endowments may also be irrelevant (or perhaps a pre-requisite at a certain level) as most international trade is between industrial nations with roughly the same degree of factor endowment and in industries with similar factor proportions. Import and export between subsidiaries of multinationals is also now important but is left out of the theory.

The Heckscher-Ohlin model had already survived one important attack on its persuasiveness. This came from its expectation that the US, with rich capital assets, would export capital intensive goods. In fact exports seemed to be based on high labour content compared to imports, Leontief (1954). This problem was called the "Leontief paradox" but it was resolved when further study showed that the "sunk cost" of capital investment in the education and training of that labour force had not been taken into consideration. When it was added to the equation the economy performed according to the Heckscher-Ohlin model, (Kenan, 1965).

The model, however, is based on several premises that are no longer applicable - if they ever were. It assumes no economies of scale, the same technologies in use everywhere and nationally fixed factors of production. As Porter points out it also allows no room for successful firm strategies such as product differentiation or technological investment and so bears little relation to current competitive practice.

Today, Porter argues, advanced technology can circumvent factor disadvantages, firms can locate units to take advantage of local factors or to avoid local difficulties, technological improvements to products and processes are continuous. Firms that are heavily dependent on factor costs often face stiff competition because barriers to entry are low as are profit margins. This is due to the current mobility of factors due to mobile capital, labour and the commodity and raw material markets. Developing nations are often trapped by their reliance on factor costs and forced to compete against each other on price. All this makes the theories of comparative advantage less relevant as a comprehensive explanation of current international trade or internationalisation.

There is no current research to show if factor endowments affect NGOs differently from companies. As most of the listed international NGOs have their origins in the UK and US it is, however, likely that Porter's estimation of the elements that give certain industries in certain countries key competitive advantages may apply to NGOs. Regarding factor endowments, the main factor is likely to be a knowledgeable and motivated workforce as land and capital are unlikely to be used to the same extent by NGOs as by businesses. A

relatively high disposable income and favourable tax laws in the US and UK may have set a favourable climate for NGOs, though this does not explain the disparity with other European countries. Again as NGOs are more like service industries than manufacturing industries, traditional factors of production are probably less relevant.

2.2.5 Economies of Scale:

Theories of trade based on economies of scale such as Helpmann & Krugman (1985) give a reason for trade even in similar products with similar factors i.e. that the cost of production is reduced by the economies of scale giving a competitive edge. Technological change and cost reduction due to the learning curve provide similar explanations, but do not explain why some nations and some firms draw down these advantages and others do not. Porter (1990) gives the examples of Italian firms reaping economies of scale in appliances, German firms in chemicals, Swedish firms in mining equipment and Swiss firms in textile machinery. It is not immediately clear why those firms in those countries should take the lead, and Porter (before introducing his theory of "clusters") quickly dismisses the idea that a strong home market is the answer as none of these countries has the largest home market for those products.

Porter then cites the nine major Japanese car manufacturers as a reason why economies of scale are only tenuously linked to international trade; this is because Japan has so many car manufacturers per head of population, compared with other countries, giving each comparatively smaller economies of scale than their overseas competitors. It has been pointed out that this example goes counter to his earlier advice (Porter, 1980) to companies

to seek a near monopoly position and raise barriers to entry for other firms. Rather they are now urged to seek "clusters" (see later discussion) involving intense competition as a way of forging their competitiveness.

Again there is no relevant empirical or theoretical work on NGOs. However, personal experience suggests that NGOs are hard put to find economies of scale in their fundraising (i.e. their income generation) though both Amnesty International and Greenpeace (as reported to the author by their Directors of Fundraising) have tried producing appeal literature and newsletters centrally; bringing print costs down for their branches overseas who may subscribe to using those materials. Service industries tend to be less influenced by economies of scale relating to lowering the cost of manufacture.

On the other hand, economies of scope, which come from enhancing the range of activities that international organisations undertake, may help other areas of NGO activity e.g. the raising of their profile and the establishment of an international brand name, which would strengthen their international competitive edge and assist moves to internationalise. Economies of scope maybe much more relevant to understanding NGOs than economies of scale.

2.2.6 Competitive Advantage

One of the most persuasive and accepted of current explanations of national advantage is Michael Porter's concept of the "diamond". This gives clues as to why countries develop industries that can compete successfully over time against international rivals.

A combination of factor conditions; demand conditions; firm's strategy, structure & rivalry; and related & supporting industries, give nations an advantage in generating companies that can compete globally. These four conditions form the points of the diamond's star. Porter (1995) argues that some countries have a combination of these four key elements in their economic make-up that provide the ideal conditions for certain types of firms to expand internationally. Countries often seem to specialise in restricted areas for export rather than being successful exporters across the board of goods and services. Indeed companies from one or two countries achieve worldwide success in certain fields over and over again. The conditions in which they develop seem particularly suited to nurture their individual needs. Simple conditions such as government intervention or an abundant source of cheap labour are not sufficient to explain their success though such advantages can sustain industries such as telecommunications, aerospace and automobiles over long periods of time. Indeed, if this were so they would be soon copied by other nations and the source of advantage neutralised. This is increasingly true as both firms and their factors of production become more mobile. Porter (1990) also states that, globalisation is said to have "decoupled" factor advantages from firms e.g. having a local steel industry does not necessarily mean a local firm can buy cheap steel, and if there is a "buy local" policy it may even have to pay over the odds for its steel.

Examples of this whole phenomena, given by Porter (1990), are; the Japanese dominance in consumer electronics, cameras, robotics, and facsimile machines; the Italian strength in ceramic tiles, ski boots, packaging machinery, and factory automation equipment; the

American position in personal computers, software, credit cards and movies; the Germans advantage in printing presses, luxury cars and chemicals; the Swiss contribution in pharmaceuticals, chocolate and trading; and the Swedes power in heavy trucks and mining equipment. No simple explanation of competitiveness fitted these industries. They did not all have cheap and abundant labour (Germany and Switzerland have expensive labour). They did not all have low interest rates (Italy and Korea have high interest rates). Germany and Switzerland had appreciating currencies and there were budget deficits in Japan, Italy and Korea. It is also often the resource-poor regions, in certain countries, that prosper rather than the resource rich (Korea, the UK and Germany are examples of this).

Porter focuses on specific industries and industry segments. In this, his ideas form a hybrid between the preceding theories that concentrated on countries and the following theories that will concentrate on the firm as their unit of study.

Porter's research led him to the conclusions that international competition was very different to competition within a single nation; which was governed by his previous theory of the Five Forces, and enhanced by firms choosing the right Generic Strategy and exploiting the Value Chain. Internationally the maintenance of a successful competitive edge, he now felt, was dependant on the right home base environment which nurtured those firms. This national base he expressed as using four conditions.

These were:

1. Factor conditions: The nation's position in factors of production, such as skilled labour or infrastructure, necessary to compete in a given industry.

2. Demand conditions: The nature of home demand for the industries product or service.
3. Related and supporting industries: The presence or absence in the nation of supplier industries and related industries that are internationally competitive.
4. Firm strategy, structure and rivalry: The conditions in the nation governing how companies are created, organised and managed, and the nature of domestic rivalry.

Porter (1990, p71)

These he represents as a rectangular diamond shape with four corners, which implies that it is a mutually reinforcing system. Each element strengthens the others and firms that emerge from this system, tempered by keen domestic rivalry, will be in a strong position to challenge internationally. The nature of the diamond is such that firms will also be constantly improving their competitive edge by increased differentiation and improved efficiency. This makes for a formidable international player.

In traditional economics, factor conditions are land, labour and capital, which are the basic necessities to sustain companies (often added to this list are the countries infrastructure and knowledge resources e.g. universities, government research institutes etc). A nation well endowed with the basic factors of production for any industry has an immediate advantage in the efficiency of production. Interestingly, however Porter points out that many sustainable advantages comes from the innovation and drive needed to overcome specific factor deficiencies.

Low cost or high quality factors give firms an advantage e.g. Singapore's position on the trade routes from Japan to the Middle East gives its ship repair firms a helpful boost. But useful factors usually require national investment over time to sustain and build (or indeed create) them. There is a hierarchy of factors with basic factors such as the availability of minerals being less appropriate in sustaining international competitive advantage than more sophisticated factors such as a highly educated workforce; although specialised, highly focussed, sophisticated factors are more use in international competition than general less focussed factors that are applicable over a wide range of industries.

The significance of home demand is that a group of sophisticated demanding buyers will increase the quality of products and the rate of improvements. One important factor for international competitiveness is how close those home-buyer's preferences are to the international market preferences. Porter (1990) argues that the quality of home demand is more significant than the quantity of home demand because it can raise the quality of products sufficient to making them internationally competitive.

This means that small nations can be competitive internationally in certain industries if their home demand creates specific advantages in segments of industries where their home market may not be the largest overall. Sometimes, national passions translate into competitive advantages, for example, Porter gives the examples of the Japanese passion for advanced audio equipment and innovatory products that are *kei-haku-tan-sho* (light, thin, short, small), the Italian's sophisticated desire for food, clothing and fast cars, the

American love of popular entertainment through movies, sport, records and television and the English passion for gardening which fuels production of world beating gardening tools.

Porter's third key factor in national advantage is the existence of advanced, sophisticated, innovative supplier industries which underpin the production of goods with a strong competitive edge consisting of either cost advantages or differentiation. Also successful related industries give a strong advantage, for example, he argues that the Swiss achievements in pharmaceuticals builds on their previous success in the dye industry.

Though inputs from suppliers are often available worldwide the smooth integration available from advanced local suppliers is often more important than the mere availability of inputs. The close working relationship with local suppliers that leads to innovation and upgrading can also give a huge advantage internationally. If these suppliers transmit that knowledge to a range of firms then the whole national industry is boosted by the process. Italian leather manufacture provides an example of this, as knowledge about styles and production techniques are often exchanged by producers.

Nations vary in the manner in which industries are begun, developed, organised and the rivalry that exists between them. A nation in which these elements mesh well with the other national competitive advantages for industries, outlined above, will provide a strong impetus towards international competitiveness.

Strategy and structure vary greatly from country to country. In Italy firms are often run as family businesses and new businesses created for sons and daughters rather than enlarging the original firm. This works well where economies of scale are not that crucial to international success such as in the footwear, lighting and woollen industries. In Germany companies are often run by technical experts, which favours technical and engineering firms such as optics, chemicals and machinery. In Japan there is intense co-operation across functions, which assists in the running of complex industrial processes and production facilities.

In Germany and Switzerland shares are usually held for a long time and not often traded. Banks and institutions take a keen interest in the management of companies they have made long term investments in. In the US shares are rapidly traded and executives often rewarded heavily for annual increases in profits. Executives in large companies command high remuneration. There is also a well developed market for risk capital. Japan and Sweden tend to follow the Swiss and German "Rhenish" model and the UK tends to follow the US model. This means that Swiss and German firms are at an advantage when it comes to industries that need long term, stable, heavy investment and US and UK firms have an advantage in innovative, high-tech industries and those requiring abundant start-up capital with a high risk, high reward basis like biotechnology. Attitudes to risk and failure are allied to those conditions and reinforce them with occasional failure being seen as acceptable in the US and UK but often catastrophic in Germany and Switzerland.

Porter has always seen domestic rivalry as an important component of competitive success and his research shows that there are few cases of "national champions" whereby one or two firms dominate the nation market and then go on to repeat this internationally. Instead the leading firms come out of situations of intense rivalry such as exist generally in Japan, in the US in software etc, in Germany in chemicals etc, and in Switzerland in pharmaceuticals etc. The intense rivalry between NGOs for funds in the UK has only in the last few years begun to transfer itself abroad for example, with Greenpeace, Lepira and Amnesty all establishing fundraising operations in Brazil and several UK based NGOs opening up fundraising operations in India.

Continuous rivalry creates pressure for firms to improve and innovate giving them a competitive edge that is kept sharp over a long period of time. This upgrading of the competitive edge he sees as probably the most important contribution of domestic rivalry, for example, if there are a number of Korean firms competing with each other none will have an advantage through cheap, well educated labour and so they will have to develop other means of competing with each other.

This theory acts as a bridge between the early ideas of competing countries and the more modern concepts regarding the internationalisation of companies, albeit that it evolved well after some of the theories outlined below. Stephen Hymer (1976) also sought to explain why nations produced firms that were successful at internationalising, but he considered this was derived mainly from monopolistic advantage.

This theory is elaborated in some detail above because it helps to explain why the international expansion by NGOs based in the UK and US is greater than from other countries. In the UK and US they benefit from all four aspects of the diamond; and, as this research shows, the UK and to a much lesser extent US NGOs today form the vast majority of international NGOs with branches overseas.

Porter's arguments about the "diamond" are relevant to UK NGOs as these have developed considerably in contrast to NGOs in most European countries. The UK has long had charity laws, which regulate most philanthropic activity. The legal definition of charity was established in the reign of Queen Elizabeth I, and is still the basis for philanthropic bodies to register with the Charity Commission. By 2002 some 180,000 charities were registered with the Commission. This far exceeded the number in any other European country. Although, it should be borne in mind that data on NGOs is said by Salamon and Anheier (1996) to be often grossly misleading, the OECD, for purposes of comparison outside the UK (no UK figures are given), gives the non-profit sector in France 0.26% of GDP, that of Germany 2.3% and in the US 3.8% (OECD 1991). This by their reckoning very seriously under estimates the size of the sector in those countries. This apparent disparity is based on both differing views of what constitutes the sector and how its income should be calculated. This research therefore tends to concentrate on numbers of organisations registered as charitable rather than overall statistics on sector income.

By the 1970s several organisations in the UK had begun to service this huge number of organisations especially those charities (and other NGOs) that raised funds. These

organisations included the National Council of Voluntary Organisations (NCVO), Association of Chief Executives of Voluntary Organisations (ACEVO), the Charities Aid Foundation (CAF) and the Directory of Social Change (DSC), direct marketing agencies dealing specifically with charities developed, as did employment agencies for charity staff. This layer of support and training organisations rapidly deepened during the 1970s and 1980s until there was hardly an aspect of NGO activity left unsupported by a rich tapestry of organisations. In the 1980s a much wider range of charity management and fundraising consultancies also developed. Brown and Kalegaonkar (2002) discuss the strategic importance and critical support functions of such organisations in the development of the voluntary sector.

With intense competition for funds (many areas of charity work have several competing charities) and sophisticated customers (the national press maintains high pressure on charities to perform e.g. by keeping overheads to a minimum), UK charities have developed a comparatively high level of expertise in fundraising by comparison to other European and Southern countries. Following US examples the UK now has a professional fundraising body, the Institute of Fundraising (begun in the 1970s), which runs courses and sets professional standards. France and Ireland began such institutions only in the 1990s, in 2002 Germany and Switzerland began such organisations and by early 2003 though the momentum was increasing there were still only about ten comparable associations worldwide.

This process appears to have given those NGOs based in the UK and US (also with a very well developed NGO "diamond") a strong advantage in internationalising. These include Greenpeace, WWF, Oxfam, Plan International, CARE, Friends of the Earth, Cheshire Homes, Action Aid etc. Similar international organisations are few but include inter-government organisations such as the UN's organisations UNICEF, UNHCR, UNA etc. and some of the political and religious organisations, described in Chapter One which are excluded from this research. There are also surprisingly few truly international NGOs from Europe outside the UK. In order to help understand the internationalisation of NGOs, it is necessary to look at the international activity of companies rather than whole countries.

2.3 The Key Theories of Company Internationalisation

As noted in the introduction, from the end of the Second World War to around 1960 firms began to free themselves in varying degrees from control of both host and home countries by becoming multinationals. Porter (1990) argues that these multinationals mixed trade and foreign production globally, and a significant part of international trade is now between the subsidiaries of international companies; indeed a large part of a nation's imports are imports by companies of that country. In response to these developments, theories of international trade post 1960 began to focus on the firm rather than the nation.

This section first sets the scene in its historical context looking at the evolution of those firms using Dunning's (1989) framework that divides the era of this internationalisation into five distinct chronological periods. It then considers the various terms and definitions used before going on to look at individual theories. A very large number of theories have

developed and some of these are usefully charted by Ghoshal (1987) and listed below; but there is only time and space here to deal with some of the key theories and their possible relevance for NGOs. From these are chosen the focal theories of this research, which are those of George Yip and Kenichi Ohmae. These focal theories are further elaborated in Chapter Three and two of the three propositions evolve from them. All three propositions which form the basis for this research are explained in that chapter.

2.3.1 The History of the Internationalisation of Firms

Dunning (1993) gives five chronological periods in the evolution of today's multinational companies. The first was up to 1914 as firms became managed multi-plant companies and occasionally located abroad, more for the basic resource factors found there than for any created factors, assets or capabilities. Host countries did little to affect inbound investment, though anti-trust legislation (e.g. in the US) affected some companies' ability to expand overseas.

The second period was the inter-war years, which saw a growth of country independence and protectionism, and company integration into host countries economies. A more relaxed attitude to mergers and cartels by some countries led to a lessening of foreign direct investment (FDI) in favour of cross-border alliances. Companies still internationalised to seek factor advantages.

It may be worth elaborating the concept of FDI, which occurs when a firm invests directly in facilities to produce or market a product (goods or services) in a foreign country (Hill,

1997). The US Department of Commerce uses a stricter definition of FDI, which states that FDI occurs whenever a US citizen, organisation or affiliated group takes an interest of 10% or more in a foreign business entity. It then officially becomes a multinational enterprise i.e. it operates in more than one country. Thus FDI is not foreign portfolio investment in which individual firms or public bodies invest in foreign financial instruments e.g. government bonds or foreign stocks (Hill 1994).

To return to the historical account, the third period was from 1945 to the late 1960s when international direct investment grew in importance. Keynesian economics was in vogue and governments were taking an active part in the life of firms. The industrialised nations had a huge demand for foodstuffs, minerals and materials, especially those in developing countries. Towards the end of the period "created" factor endowments became more important e.g. entrepreneurship, technology and human capital. Intra-industry trade also became much more significant. Ohmae (1991) notes that in 1959 Gilbert Clee, later to become managing director of McKinsey & Company, coined the term "world enterprise". The rationale of the world enterprise was simply to buy raw materials wherever they were cheapest, manufacture wherever labour is cheapest and sell wherever the product will bring the best price. This philosophy entailed viewing the world as a single unit.

Perhaps surprisingly, Dunning (1993) noted, that two decades later the idea of the world as a single market looked rather unhealthy. US semiconductor industries that had moved into Southeast Asia following low wages had almost all been compelled to withdraw as the industry became capital intensive; Japanese companies investing in low wage Spain almost

all failed; similarly US and Japanese companies using Portugal as a beachhead to Europe failed in nearly every case; and most companies that ventured into South America have now gone in partnership with local capital or reduced their own share of investment in their fledgling enterprises.

The fourth period was from the end of 1960s to mid 1980s. This saw a period of regional integration in Latin America, Europe and in Asia, which allowed firms to rationalise their activities. By the mid 1980s most countries had relaxed their inbound capital restrictions and import substitution policies. The period also saw more balanced international activity amongst the industrialised nations and the US becoming the largest inward investor as well as the largest outward investor.

Dunning's final period is from the mid-1980s onward. This stage is characterised by changes in the political and economic scenarios. These include advances in information technology, production methods and transactional relationships between firms. He argues that governments are assuming a new strength based on their ability to influence the increasingly important created factor enhancements. Multi-nationals are also becoming more aware of their need to respond to local market conditions in a geocentric manner. In the 1990s, headquarters of companies are no longer providers of capital, management and technology but increasingly managers of a complex web of affiliated organisations whose purpose is to serve the interests of the core organisation by advancing its global competitive strategy.

Though NGOs may have been influenced by similar factors and external considerations the weight Dunning places on capital intensive foreign investments by large firms is less relevant to NGOs, which tend to be much smaller service enterprises without the potential to make similar large scale financial investments.

Before considering individual theories, this may be a useful point at which to explore definitions of the entities so far referred to as international firms or companies. There are many different terms used in the literature on internationalisation and a selection of the key terms is discussed below.

2.3.2 Terms and Definitions used of International Firms

This thesis uses the term the "international" about firms or NGOs that operate in more than one country, and the term "internationalisation" or "international development" to describe the process of starting work in new countries. In the case of NGOs this term is only used if they have branches or partners in those countries. Authors use different definitions to describe the organisations that, for them, constitute an international firm or to describe a state or way of internationalisation. These definitions are sometimes adopted or changed in subsequent discussions, sometimes by the same author. The following gives definitions and explanations for the terms used in the main theories mentioned later in this thesis.

Dunning (1993) uses the term "Multi National Enterprises" (MNEs) and defines these as multi-activity firms that engage in FDI whilst recognising that many MNEs engage in a

variety of cross border non-equity alliances and/or clusters of value added activities over which they can have considerable influence. These companies not only engage in cross border trade but they own or control production facilities overseas. They also internalise the transactions between production facilities of which at least one is overseas.

Porter (1990, p14) echoes this saying that "multinationals" produce and sell in many countries, with strategies that combine trade and dispersed production. He goes on to outline the process beyond internationalisation (where companies are mainly leveraging the advantages of their home base) to that of globalisation where companies have a truly global strategy "involving selling worldwide, sourcing components and materials worldwide, and locating activities in many nations to take advantage of low cost factors. They also form alliances with firms from other nations to gain access to their strengths."

Kenichi Ohmae (1994) has a rather different view using the term "globalised company" to describe firms that have reached the last of his five stages of internationalisation. These five stages (exporting via agents, sales subsidiary, foreign production, complete "insiderisation" and true globalisation) ended in two stages which were heavily marketing led and dealt with the balance which needed to be struck between local and home country (or worldwide) considerations.

The fifth stage counters some of the likely problems encountered in the fourth stage. Here senior management centres some of the key functions for the sake of brand consistency. Symbolic issues are also tackled centrally. This view of a global company reflects Ohmae's

marketing led background contrasting with Porter's tendency to concentrate on the exploitation of resources. Ohmae attempts to set out the most effective mind set for employees in individual companies. Porter, however, considers the success of whole industries, albeit exemplified by individual companies.

Ohmae also intends to offer advice to managers about how they should structure and run companies extrapolating his research towards whatever the current situation is bearing in mind the volatility of the 1990s; whereas, Porter concentrates on an analysis of the past to show what has happened historically. Ohmae's theory is important for this thesis and will be further considered below in the context of other stage theories.

Bartlett and Ghoshal (1989) posited that a transformation took place in the 1980s from the traditional global, multinational or international forms of organisation to one they call "transnational". The chart below sets out the characteristics of each form of enterprise.

Table 2.1 The Transition to "Transnational"

Organisational character	Multinational	Global	International	Transnational
<i>Configuration of assets and capabilities</i>	Decentralised and naturally self sufficient	Centralised and globally scaled	Sources of core competences centralised others decentralised	Dispersed, interdependent and specialised
<i>Role of overseas operations</i>	Sensing and exploiting local opportunities	Implementing parent company strategies	Adapting and leveraging parent company competences	Differentiated contributions by national units to integrated worldwide operations
<i>Development and diffusion of knowledge</i>	Knowledge developed and retained in each unit	Knowledge developed and retained at centre	Knowledge developed at the centre and transferred to overseas units	Knowledge developed jointly and shared worldwide

Source: Bartlett & Ghoshal (1989)

This scenario is reminiscent of Ohmae in its final stage where a company with dispersed assets but integrated operations shares knowledge as opposed to a top down company where headquarters makes allocations. Ohmae, however, is much more concerned with the mental life of the company i.e. how the employees think about their relationships within the organisations as the physical distribution of assets, operations and knowledge. Though Barlett & Ghoshal (1989, p17) do acknowledge that there must be "a new management mentality".

The terms used by Bartlett & Ghoshal are used rather differently by other authors. The "multinational" presented above is closer to the more usual term "multi-domestic", which indicates an international company who manufactures and sells country by country. This is, incidentally, similar to the model of some NGOs like Friends of the Earth where each country replicates all or most of the functions present in the UK where the organisation originated. The global company is more ethnocentric (see Perlmutter below) and centralised than say, Ohmae's global company, which is closer to the transnational set out above. The international company is like a hybrid between Ohmae's last two categories, but still highly centralised and only the last category shows real progress towards a geocentric approach whereby knowledge from the home and host countries intermingle equally.

The integration-responsiveness framework on which Bartlett & Ghoshal base their research, was originally developed by Prahalad (1987), and considers the degree to which internationalised companies need to centralise their management and processes or to localise them. It also examines how far their products and marketing should be standardised and global or response to local conditions and cultures.

Authors are often faced with a quandary in deciding where to draw the line in describing a new form of organisation when firms run a continuous gambit between local integration versus differentiation and internalisation versus buying in the market. If writers face difficulties in merely agreeing on categorisation for the evolving international or global organisations, then they face even greater difficulty in agreeing strategies that take

advantage of the changing possibilities. These quandaries are also present in NGOs, for example, the local differentiation versus integration problem is present in deciding how far to go in shaping their programme work to the local culture and context. These theories of adaptation, however, do not (for the reason outlined above) perhaps give a firm enough framework against which to chart the patterns adopted by NGOs or to seek a theoretical basis for international management which could be of some help to them. There is, however, the possibility of some interesting research to be undertaken and the subject is touched upon later in the case studies in Chapters 5, 6 & 7.

Having considered the various terms used in the literature on company internationalisation, attention can now be paid to those theories. The literature on international development is now extensive, with theories at times building on other theories and at times contradicting them. For the purposes of this discussion relevant theories are grouped into two strands, both of which lead to propositions on which this research is based. These are those theories concerning forces that might drive the process of internationalisation, and those concerning the stages that organisations might go through during their internationalisation.

This selection groups together, under the "forces" label certain theories about why companies internationalise and under the "stages" label certain theories about how that process is undertaken. The following discussions lead from consideration of these theories to the selection of two focal theories (Yip's theory of "drivers" and Ohmae's stages model). In Chapter 3 these theories are examined more closely and propositions drawn from them.

The first strand addressed below is about the forces which drive internationalisation. This starts with the product-life cycle based theory of Vernon, which could be said to be based on the advantages of scale; and then broadens into consideration of wider forces by looking at manager's international orientation where advantages of scope are brought into the discussion. Ghoshal's summary of the scale and scope arguments up to the late 1980s is then used to cover a range of ideas in these two areas. Next three varied theories (Dunning's eclectic theory, McKiernon's network theory and Williamson's transactional cost analysis) are used to illustrate the range of ideas in this field, before returning, with Levitt, to a consideration of international products (or more properly international brands). The external forces that may affect the process of internationalisation are then drawn up into clear international drivers by Yip whose driving forces concept is taken up in more detail in Chapter 3.

2.3.3 Theories about the Forces Driving Firms to Internationalise

The "product life cycle" theory ties the process of internationalisation to the lifecycle of the companies products. Vernon (1966) thought that companies were driven to export when their products reach maturity in their cycle. New products are initially launched in high income countries to meet local demand. As they mature the products become standardised. This lack of flexibility allows for standardisation of production techniques, which in turn introduces economies of scale and allows competition on price. When the product is completely standardised competition is solely on price and manufacturing moves to cheaper overseas countries. Firms manufacture overseas when marginal cost of home

production and transport is greater than average cost of overseas production. This theory was refined by Buckley and Casson (1976), who, by making four key assumptions, argue that low costs and product standardisation are not necessarily the triggers to overseas sales. These four assumptions were; that income influences consumer taste therefore products change or are subject to innovation in high income countries e.g. the product innovations that come from the Japanese household goods market; that manufacturers know about consumer changes in their own locality first (market information is unevenly distributed) before those based overseas; that the technology and marketing methods undergo similar and predictable changes and finally, that the market in technical knowledge is unevenly distributed. This argument therefore developed as a dynamic model based on product improvements and other changes (e.g. marketing) delivering differentiation, which enhanced exports and overseas sale opportunities.

The product life cycle shows how the home market may influence international trade by providing low cost goods for export; yet products tend to come under continuous improvement and innovation, extending their life rather than reaching a mature phase at which exporting is undertaken. Indeed many products go straight to the export stage or are designed with many markets in mind e.g. the Ford Mondeo, which was designed as a world car.

The product life style improves on the Heckshler-Ohlin model because it performs better on more technologically sophisticated goods. These are influenced not just by factors of production but by technology, culture, education etc. Advanced manufactured goods are

often traded between nations in a similar stage of development e.g. Europe, Japan and the US because their consumers tastes and income are arguably becoming increasingly uniform. (Levitt, 1982)

Product innovation is said to be likely to happen in response to the domestic market in advanced nations. The product is then refined in the market (a labour intensive stage), production standardised and economies of scale developed. Surplus is then sold overseas to similar profile countries. The next phase is that of growth. The foreign market expands, competitors enter the field, when the cost of exporting is higher than the cost of locating overseas then foreign production starts (using FDI), standardisation and economies of scale are emphasised. Innovation then centres on developments in the process technology. In the mature phase overseas demand begins to fall, there is a shakeout of competitors, and products are standardised with price the key selling point. As costs are reduced, sales begin in less developed countries and production may follow.

During the decline stage, sales in the advanced countries fall as insatiable consumers turn their attention to new products. This happens much faster than in the less developed countries where production is now based, McKiernan (1992).

Whilst product based theories can be applied to NGOs they are unlikely to form a useful background for exploration of their international development because NGOs are closer to service industries (this argument will be more fully developed in Chapter 3). In this context the NGO product may not be its programme work (which is only indirectly undertaken in

simple response to donations) but the more ephemeral "product" received by the donor through the fundraising process. There may, however, be an element of product theory in the development of NGOs like Action Aid, which had a definite product "child sponsorship" which was taken up by partner organisations in different countries. It is too early to tell how close an explanation the product life cycle is as the product is still selling very well in the UK. Similarly a parallel may be drawn to the rise and subsequent fall in membership of environmental groups like Greenpeace, though their membership in the late 1990s began to stabilise and then grow again. Here the product could arguably be described as a "lifestyle choice" which when it could be offered at a suitably low cost was exported round the world, but suffered from strong competition from similar products for example, membership of Friends of the Earth or Amnesty International. As noted above changes in marketing practice also influenced this programme, which was led by direct mail (backed by the falling price of computer databases) until the market became saturated and then jaundiced by that medium.

In contrast, Perlmutter (1969) took a different view from these product-based theories and argued that firms expansion overseas is driven by their managers international orientation. Perlmutter's EPRG framework gives ethnocentrism (home country), polycentrism (host country), regiocentrism (regional) and geocentrism (world) as the four key orientations.

The starting point of this theory is that organisations are driven by the world-view of their managers who determine the firm's structure and strategy. There are essentially four world-views:

Firstly, the ethnocentric view where the home market priorities prevail and overseas markets are less important. Products are developed for the home market and often identical products are exported using the same marketing, manufacturing and pricing ideas.

Secondly, the polycentric view whereby organisations are structured to take advantage of differences in overseas markets and local branches have a great deal of independence in marketing and product design.

Thirdly, the regiocentric view whereby organisations structure themselves to take advantage of regional differences and country boundaries are ignored. Standardisation of products and marketing occurs to a large degree in each region.

Finally, the geocentric view where organisations are seen as global entities. The head office then establishes global policies though practice may vary from country to country.

Hout et al (1982) further developed this theory to include a division between multi-domestic companies (competing locally) and global companies (competing globally). The global companies were seen as close to Perlmutter's world companies with the multi-domestic companies being ethno, poly or regio centric.

Ghoshal (1987) characterises Hout's global strategist as the heavyweight who knocks out opponents with scale and pre-emptive investment. This he saw in contrast to Kogut's

(1985) global strategist who is a nimble footed athlete who wins through flexibility and arbitrage. The latter can involve creating options to turn the uncertainties of an increasingly volatile global economy to their own advantage. For example, multiple sourcing, production shifting (to benefit from changing factor costs and exchange rates), and arbitrage (to exploit imperfections in the financial and information markets), were some of the hallmarks of Kogut's athlete's superior global strategy.

In discussion with NGO directors it appears that NGOs usually follow the multi-domestic route by undertaking all their activities in every country unlike say, the relatively recent practice of motor manufacturers who might locate engine building in one country, chassis manufacture in another and wheel construction in a third with the components being finally assembled in a fourth country. In this NGOs are more akin to service industries, and so this theory is not likely to help as a basis for research to illuminate NGO behaviour in international management in any substantive way.

Sumatra Ghoshal (1987) took many of the views to date, comparing and summarising them in two useful charts. These centre on the driving forces inherent in national differences, the economies of scale and the economies of scope. The first set is an organising framework for global strategy. Here he characterised the prevailing theories as falling into one of two categories i.e. of scope or scale. He also showed how these related to the national differences encountered.

Table 2.2 - An Organising Framework for Global Strategy

Strategic objectives	National differences	Scale economies	Scope economies
<i>Achieving efficiency in current operations</i>	Benefiting in differences in factor costs - wages and cost of capital	Expanding and exploiting potential scale economies in each activity	Sharing of investments and costs across products markets and businesses
<i>Managing risks</i>	Managing different kinds of risks	Balancing scale with strategic and operational flexibility	Portfolio diversification of risks ad creation of options and side effects
<i>Innovation learning and adaptation</i>	Learning from societal differences in organisational and managerial processes and systems	Benefiting from experience - cost reduction and innovation	Shared learning across organisational components in different products markets and businesses

Source: *Global Strategy: An organising Framework*, Sumatra Ghoshal, 1987

This chart is based on a synthesis of several theories. The idea is that when an organisation internationalises it has three sets of tools it can use to gain competitive advantage. These are; the benefits of exploiting the differences in input and output market in the countries it operates; the benefits of scale offered by the size of markets; and the benefits of scope from economies or synergies that may be available from the diversity of its activities and organisation.

The company also has a set of strategic objectives that these tools are used to reach by different strategies. These objectives are efficiency in current operations, managing the risks of carrying out its operations and developing an organisation that can learn, adapt and

innovate to handle future changes. The overall strategic task is then to manage these three, sometimes conflicting goals, using the set of tools provided by internationalisation. Into this framework above are slotted the considerations which managers face dependent on those managers goal priorities and access to, and strength of, the relevant tools.

The innovation, learning and adaptation that companies have already undergone has had profound effects not least on areas where cultural distinctions were quite strong. Mueller (1996) noted that human resources in international companies were becoming a valuable strategic asset, which was enhanced by the firm's social architecture. The benchmarks for human resource management were now often world-class not national with foreign companies providing the models. Kidgen (1991 p149) observed that "a body of ideas on good practice is emerging on a worldwide basis" e.g. human resource policies.

In the diagram below the theories appropriate to each consideration have been slotted in showing useful texts for managers though Ghoshal makes it clear this is not an exhaustive list of background academic work or even global strategy literature. Indeed not many of these texts are discussed in this review.

Ghoshal cautions against taking any one view as the right explanation of internationalisation or the right strategy for a firm to adopt. "The complexities of managing large, worldwide organisations have been obscured by creating polar alternatives between centralisation and decentralisation, or between global and multi domestic strategies (Hout et al 1982). Complex management tasks have been seen as composites of simple global

and local components. By emphasising the importance of rationalising the flow of components within a multinational system, the importance of internal flows of people, technology, information and values have been de-emphasised."

These internal flows are unlikely to be any less important in the international development of NGOs, and indeed this should be clearer in regard to NGOs simply because they tend to be smaller less complex organisations, without the intensive manufacturing or such large scale service delivery components as commercial companies may have.

Table 2.3 - An Organising Framework for Theories of Internationalisation

Strategic Objectives	Scale Economies	Scope Economies
<i>Achieving efficiency in current operations</i>	Hout, Porter & Rudden (1982), Levitt (1982), Doz (1978), Leontiades (1984), Gluck (1983)	Hamal & Prahalad (1985), Hout, Porter & Rudden (1982), Porter (1985), Ohmae (1985)
<i>Managing risks</i>	Evans (1982), Piore & Sabel (1984), Gold (1982), Aaker & Mascarenhas (1984)	Kogut (1985), Lorange, Scott Morton & Ghoshal (1986)
<i>Innovation, learning and adaptation</i>	BCG (1982), Rapp (1973)	Bartlett & Ghoshal (1985)

Source: adapted from: *Global Strategy: An Organising Framework*, Sumatra Ghoshal, 1987.

Ghoshal concedes that these theories are not always compatible and are often indeed contradictory and tend to be conceived in isolation of each other's findings e.g. the varied explanations of the success of Japanese companies. The importance of these tables for the

manager of an NGO is that they include scope advantages, which this research shows may be more relevant than scale advantages in the context of their development.

The costs of NGOs fundraising is not usually significantly lowered by operating in more than one country because the costs are either those of printing and distributing locally adapted literature or very low cost appeals and applications for funding (e.g. face to face fundraising or charitable trust/foundation applications). The relatively small quantities and frequency of changes to written literature mean that there is little advantage to its being printed overseas where printing may be cheaper and having it shipped, at some expense, back to the home country. So scale advantages may not hold great attractions for NGOs. The same could be true of services, such as knowledge provision, though an NGO carrying out research and distributing it through a network may make some unit cost savings by comparison to the same operation carried out by a smaller network.

Mintzberg (1989), reminds us that that strategies are not always thought through and then put into practice but emerge from current practice or are only really detectable as trends in management behaviour over time. Indeed, NGOs often appear to operate without a theoretical base for their international management, and it is the resultant emergent strategy that this research in part is hoping to illuminate. The varied attractions of country, scale and scope do not of themselves appear to be strong enough to determine NGO internationalisation and are not used as the basis for this thesis.

The range of scale and scope activities were brought together by John Dunning who argued in his "Eclectic Theory" (1981, 1987 etc) that a firm is driven to expand overseas if it has

"ownership"(O) of a unique competitive product, the host country has "location"(L) advantages, and there are advantages for producing "internally, i.e. internationally" (I) not locally.

The four conditions which determine the level and structure of a firm's foreign value added activities are:

1. The extent to which it possesses sustainable O advantages which are the privileged possession of intangible assets as well as those arising from the common governance of cross-border activities. These advantages, or their use, create wealth for the firm.
2. The extent to which a firm decides to add value to its O advantages rather than sell them, or their right of use, to a foreign firm. These advantages are called market internalisation or I advantages. They may reflect the greater efficiency of hierarchies or the ability to exercise monopoly power over them.
3. The extent to which the global interests of the firm are served by creating or utilising its O advantages in a foreign location. The distribution of these resources is supposed to be uneven and so, depending on their distribution, will confer L advantages on the country(s) possessing them.
4. Given the configuration of the OLI advantages facing a firm, the extent to which the firm believes that foreign production is consistent with its long term strategy.

The generalised predictions of this theory are that the more a country's firms possess O advantages, the greater the incentive they have to internalise rather than externalise their use, the more they find it in their interest to exploit them from a foreign location the more

likely they are to engage in outbound production. A country is likely to attract investment when the reverse conditions apply.

The eclectic theory adds little to other theories and their predictions, but combines a number of explanations not usually grouped together to form a more general theory. It is rather simpler than the somewhat obscure language Dunning uses to describe it would suggest.

He argues that it is not only the possession of technology per se that gives a firm an advantage but the gains that follow from internalising that technology. It is not the possession of monopoly advantages that gives an edge but the gains that may accrue from internalising that advantage. It is not surplus entrepreneurial resources per se that lead to FDI but the ability of enterprises to combine these resources with others to gain the advantages of scale and scope. It is not just the avoidance or reduction of political risk or exchange rate risks that influence the location of MNE activity but the wider benefits that arise from operating in diverse environments.

He also acknowledges that firms are becoming more "footloose" as dependence on factor endowments lessens.

His theory is not incompatible with that of Porter regarding the competitive advantage of nations, which also draws heavily on internalisation theory in explaining internationalisation (i.e. the way firms international advantages are used).

Dunning's theory can be applied to NGOs such as those who have chosen to use their brand name and expertise to open branches overseas such as Greenpeace; who could instead have relied on local environmental groups to undertake appropriate campaigning. Such NGOs may have internal advantages in using their own staff, and techniques (particularly fundraising) rather than looking for these skills in other organisations in countries that lack the NGO infrastructure of the US and UK. Dunning's theory, however, in concentrating on the three advantages O, L and I may not be sufficiently wide to illuminate the range of possible reasons for NGO expansion or the route taken and resourcing used. There is perhaps an undue emphasis or assumption of the profit motive (creating wealth for the firm) backed by the expectation of efficiency, and a strategic vision, which drives the organisation forward. NGO's, which are often "values" based in their actions, may need more attention focussed on their various driving forces than this theory might leave scope to examine.

Indeed, Clark, Pugh, Mallory (1995) suggest it is the general knowledge of internationalisation rather than specific market based knowledge on which internationalisation is based, i.e. the "current best fit". Firms have a series of options for development overseas rather than a series of stages e.g. not just FDI, indeed exporting is the most common method of reaching foreign markets. Firms have global considerations not just country-by-country. Their collective experience of operating abroad strongly influences decisions. This theory is not incompatible with the network theory outlined

below. This may be true of NGO internationalisation and is touched on later in the analysis of the empirical research.

This experience of operating abroad may bias managers in favour of expansion, and this aspect of "agency theory" may also reveal a driving force in that a manager's own motivations e.g. an opportunistic desire to have control over larger divisions, could play a key part in decisions to internationalise. The subsequent process may then be informed by the theories described above and they may help to provide a rationale for the process. This argues that there is a weakness in undertaking a transactional cost analysis without regard to stakeholders' interests.

"Transaction cost theory" shows how organisations can try to limit the power of individuals, for example, by outsourcing work and tightly controlling the firms undertaking that work. The underlying idea of transaction cost theory in regard to internationalisation, however, is that firms are driven to expand overseas when the cost of carrying out transactions externally across borders is greater than internalising their costs. That is bringing the market internal to the firm say, by acquiring a foreign supplier. The main work on this theory was undertaken by Ronald Coase (1937, 1960, 1991) and Oliver Williamson (1975, 1985, 1986).

This situation becomes more complex when we are dealing with knowledge based advantages such as NGOs enjoy. Here the dilemma is whether by working through firms in other countries, rather than acquiring these firms, there will be a greater risk of losing that

advantage through these or kindred firms setting up rival concerns using the knowledge based advantage they have acquired. These advantages can sometimes be licensed (like Pilkington's revolutionary glass process) to protect them from copying by competitors but knowledge is easily dissipated, quickly becoming a public good. It will, according to the theory, often be companies with a high degree of technological advantage that will internationalise in an effort to protect their secrets and retain management control over these vital assets.

This theory argues there is a lack of reality in classic theories, which do not engage with the costs in undertaking transactions e.g. the costs of bargaining, and the costs of enforcing contracts etc. It also deals rationally with management's inability to see or cope with everything in the external environment (bounded rationality) and managers desire to promote their own interests (opportunism) though Rugman (1982) argues that these limitations can be overcome in MNEs. He goes on to argue that transaction cost theory is highly predictive of when firms will engage in FDI and therefore a useful contribution to the debate on internationalisation.

Buckley and Casson (1976, 1985) give four reasons for internalisation; industry specific (e.g. nature of product, external market, economies of scale), region specific (e.g. geographic and cultural difference), nation specific (e.g. political and fiscal) and firm specific (e.g. management). All these hinge on the assumption that the internal market is more efficient or effective than the external market, Hennart (1982).

Despite Rugman's argument to the contrary, Buckley (1983) argues that the problem with transaction cost as an explanation of FDI is that it is a non-predictive, tautological concept and calls it a "concept in search of a theory". Casson (1982) argues it is rather a theory of why firms exist at all, as firms internalise imperfect markets automatically in their creation and expansion. The problem is that the theory merely discusses where the line is drawn around the activities a firm controls directly as part of that firm and the activities it out-sources. The theory does not help to predict when firms will internationalise and only to a very limited extent where they will draw that line; though it does raise the notion that they have the option of drawing it where they choose.

For NGOs the same problems apply, though when the pattern of NGO internationalisation is better understood that understanding may give a context in which transaction cost decisions can be examined. It is likely that the key decision is whether to rely on developing close links with local partners so using the existing market place (and also possibly licensing or franchising the operation) or whether to set up the NGOs own directly controlled branches or overseas sections; though for NGOs the decision to work through partners "empowering local organisations" may often be termed a "value based" decision rather than an "economic" one. Both value based and economic arguments can however be used by the same organisations for different activities. For example WWF sets up local branches overseas empowered to raise funds in that country for economic reasons, but then also works through local partners to carry out its programme work for political reasons.

Ouchi (1991) argued that transaction costs affected different kinds of organisations in different ways. In an example that may be relevant to NGOs he discussed "clans" as organisations where the workers were socialised to accept the organisations goals (e.g. traditional Japanese companies) which then reduced some transaction costs as individual and organisational goals converge, opportunism being less likely and rewards easy to give equitably. These organisations may resemble NGOs, in which the staff are dedicated to the organisation's goals rather than personal enrichment. Ouchi and Johnson (1978) also reported on modern organisations in which teamwork is strong, technological change is rapid and individual knowledge important; showing that NGO practices are not necessarily a hang-over from the past, but that their traditions can be very effective today.

Powell (1991) argued that there was another form of collaborative organisation outside of the conventional alternatives of hierarchy or market based transactions. This was one based on networks of relationships, mutual interest and reputation and less on formal relationships. He argued that when buyers and sellers had qualities that were difficult to measure and transactions were repetitive over long periods of time, leading to difficulties in telling the organisations apart, then a relationship had been established which went beyond the conventional understanding of a market exchange. From the perspective of NGOs whose internationalisation is based on the formation of branches and/or partnerships overseas, where the relationship finds resonance with the above description, this theory holds some attractions.

Peter McKiernan (1992) argued that firms are really collections of networks. They are driven to internationalise in order to support and develop these networks. Network pressures and combined experience influence the firm's development, and decisions to internationalise may come from strong foreign subsidiaries.

These well established and strong foreign subsidiaries are increasingly part of a network of organisations in companies which have most of their assets overseas rather than in the home country. This brings a new perspective to internationalisation, diminishing the relevance of theories based on the fear or uncertainty of operating in overseas markets and the need to take major internalisation steps. With such an experienced widely spread international organisation, it makes sense to view it as a coalition of interests rather than a hierarchy in respect of strategic decision making, Pfeffer (1978). Strategic decision making and international expansion impact on the whole organisation and the views of strong subsidiaries will carry "clout". This leads to what McKiernan (1992) called a centre-centre perspective.

The premises of network theory are:

1. Organisations are related to a network of other organisations and to understand individual organisation behaviour it is necessary to understand these relationships.
2. Organisations are dependent on other organisations for resources and this ties them together based upon reciprocal transactions.
3. Resources controlled by individual organisations are all different and not compatible; hence investments are made in the relationships between them that create value in their dependent linkages. Productivity and marketing capabilities of

organisations are adjusted to match those of others in the network by an investment in physical and human assets, which reinforces the bonding of the industrial network.

4. The network is in constant flux as suppliers, buyers and customers may enter and leave.
5. The strength of the individual organisations depends, not on specific advantages as in the market-imperfection theories but on links with customers, suppliers, distributors, competitors and so on.
6. Research evidence (Hallen et al. 1987) has shown that information exchange and adaptation processes are key attributes of the networks.
7. The character of the products of exchange influences the extent of the bonding in the network, e.g. hi-tech products require much closer liaison between organisations (e.g. Silicon Glen in Scotland, Silicon Valley in California) than is usual.

McKiernan (1992, p105)

Indeed, McKiernan mentions that some writers have argued that network theory is especially applicable to markets where sophisticated and rapidly changing technology is exposed to continuous shifts in international trade and competition. Some networks are just informational networks like airlines, travel agents and computer reservation systems and the importance of information and power may be greater in networks than money and utilities.

In a network, the strategy of internationalisation changes and is meant to obtain, defend or develop a position in the network. This is different from the earlier theories where internationalisation was to build from a specific advantage. The importance of company-specific advantages are lessened in a network where the importance is on the linkages in the network. These linkages are handled by certain strategies like negotiations, contracts, alliances and acquisitions - the latter being used to handle the dependence on other organisations. Network theory predicts that, as internationalisation gathers pace, the number of acquisitions will grow; which is the opposite claim to the theory of internalisation (which stresses difficulties stemming from ignorance of foreign markets), McKiernan (1992).

Network theory is relevant from an NGO point of view as they are possibly more likely than firms to engage in the creation of networks with a balance of power throughout that network e.g. many NGOs have a democratic structure so that their branches have representatives on the voluntary governing body of the movement and equal votes in policy decisions. NGOs also often form extended partnerships with other organisations such as local NGOs to whom they are responsive very much in ways predicted by network theory. They also link with a wide range of supporting and fraternal organisations in the same or similar fields.

In this context, it appears that the charities which internationalised early, like Oxfam and HelpAge International, achieved this by building on existing relationships to overseas development (in the sense of grant making) offices e.g. Oxfam India, or with partners like

HelpAge International rather than as part of a strategic concept or demand from host country nationals to set up a branch. Though organisations such as Cheshire Homes developed from scratch using limited personal connections in new countries.

This theory provides the possibility for further research into the relationships of international NGOs and runs as a sub-theme through this research which places some emphasis on NGOs branches and partners as well as the effect of the supporting or networked elements in the NGO equivalent of Porter's "diamond".

Another sub-theme is the seminal text by Levitt (1982) writing in the Harvard Business Review about the driving effect of merging lifestyles. Levitt saw a world where people's ways of living were becoming so similar that they provided a vast market, which would buy standardised global products marketed in the same way around the world. Global brands would result from the relentless homogenization of consumer preference for high quality plus low cost which is "what everyone wants rather than what everyone thinks they want"(p.102).

This strategy would, of course, gain the global producer huge economies of scale. The ubiquitous Mondeo being perhaps one of the most familiar in the resultant line of sometimes failed attempts to create global products.

Sweetern (1996) agrees in asking, "Does it pay to act local?" and showing that global branding e.g. Scotch Whiskey sold better than localised products. She uses the term

differentiate to mean differentiating from the local, so as to encourage companies to globalise their product's branding. Her writing is, however, centred on Japan though her argument is also repeated by Yan (1994) in regard to the Chinese market. This may to be universally true, but is most relevant where global brand ownership adds cultural kudos.

Naturally, many people came to the opposite conclusion and Ghoshal (1987) cites Hout et al as requiring successful strategists to become foxes who know many tricks not hedgehogs who know only one trick. Some of the most important of these tricks are; exploiting economies of scale through global volume, taking pre-emptive positions through quick and large investments, and managing independently to achieve synergies across different activities.

Hamal and Prahalad (1985) challenged Levitt rather more sharply. Their key recommendation is - a broad portfolio of products (rather than a single global product), with many product varieties so that investments on technologies and distribution channels can be shared. The maximising of cross-subsidisation across both products and markets, and the development of a strong world-wide distribution system, are the two moves that find pride of place in their views on how to succeed in the game of global chess. Douglas and Wind (1987) also take issue with Levitt considering there was a lack of evidence for the homogenisation of products with much intra-country segmentation; that the idea of seeking universal price and quality was vulnerable on several fronts if not impossible in practice; and that economies of scale may only affect production costs which could be only a minor part of the final cost to market.

NGOs are gradually discovering that they have overseas donors or members even if they have never advertised abroad. This may be a result of the emergence of international donors or supporters acting like Levitt's global customers (being aware of the same problems as say, UK donors, through following the same media they may wish to join the same organisations). This may give the impetus and basis for setting up an overseas branch. In a similar fashion to Porter's theory of a nation's competitive advantage, this theory might explain why it is possible for NGOs to internationalise their income generation activities and this research does look at reasons for choosing overseas locations from both the fundraising and programme perspective.

Levitt's article, though it could be said to have brought us back to a product based theory, also posited the developing market for those products as a reason to produce the goods he saw being demanded and so that market was becoming a driving force. Yip (1992) greatly widened this theme; taking apart the market into its components and looking at the driving forces, in the much wider picture represented by the global forces of politics, technology, social developments etc.

In essence his theory (Yip, 1995) recommends that companies in developing their global strategy should pay careful attention to the industry conditions or "industry globalisation drivers". These drivers such as the state of the market, costs and the state of political and technological developments create the circumstances which give rise to the benefits which can be gained by globalisation. "Global strategy levers" such as globally standardised

products can then be employed to reap those benefits. These drivers can loosely be grouped into market drivers, cost drivers, government drivers, competitive drivers and other drivers.

This sets out a very useful framework, which can be employed by any company or NGO in considering an international strategy. One question, which this thesis seeks to answer, is whether NGOs do indeed pay attention to these drivers; and how important they are for NGO managers in their decision making regarding the process of internationalisation.

It should not, however, be thought that Yip is saying these drivers in practice force companies to internationalise or to globalise. He accepts there are a number of "strategic dimensions" along which choices should be made. Yip (1995, p6) gives five of these:

1. Market participation - which involves choice of country and degree of involvement.
2. Products/services - which involves the choice of offering local or global products.
3. Location of value-added activities - where to locate research, production etc.
4. Marketing - the choice between using the same branding, advertising in each country or to vary the approach.
5. Competitive moves - the extent to which a company chooses certain countries based on its worldwide competitive strategy.

This list shows the complexity of such decisions and the thoroughness that Yip recommends in developing international strategy. The drivers themselves will be addressed more fully in the next chapter, and (with some interpretation and examples to make them

comprehensible to NGO staff) will give a clear background against which to examine NGO behaviour.

Having discussed the above theories to look at the "why" of internationalisation, the second strand pursued below concentrates on "how" this is accomplished using "stage" theories as the theme. These perhaps have greater coherence than the "forces" theories above. They have a clear linear descent in time from early studies conducted in the 1970s to more recent studies, though they have come under sustained and coherent criticism which is also outlined below. The last theory that will be mentioned is a model developed by Kenichi Ohmae, and it is his model (with some adaptation) that is explored in this research in relation to the "how" of NGO internationalisation. This model is more fully discussed and a key proposition drawn from it in Chapter 3.

2.3.4 Stage theories

Bilkey and Tesar (1977) looked at US firms choosing to export and found six stages which were reached by companies before they began production in another country. This was refined by Johanson and Wiedersheim-Paul (the Uppsala Model) who found four stages (no export, export via agents, overseas subsidiary, overseas production).

Their study was based on the gradual internationalisation of small Swedish firms. They made the assumptions (which were later shown to be correct); that the firms were first domestic then by increments internationalised, that their obstacles were knowledge and resources and that they at first exported to well known countries via independent

representatives. In doing this they found the firms required successively larger resource commitments. “We have, of course, simplified the matter somewhat by exaggerating the differences between the four steps.” Johanson & Wiedersheim-Paul (1975).

They also felt that the concept of the “psychic distance” may prove useful in identifying the reasons certain countries were chosen. By psychic distance they referred to elements of language, culture, political systems, level of education, and level of individual development. Where these are similar to the home country the psychic distance is short and where they are very different the psychic distance is correspondingly wider. The size of the potential market was another key factor they discussed.

Another key finding was that the internationalisation process was much faster in firms that started later. This finding is also examined in regard to NGOs by this research.

Kenichi Ohmae (1994) refined the four stage model to five stages:

1. Export via agents
2. Establishment of sales subsidiary
3. Establishment of foreign production
4. Complete insiderisation
5. True globalisation

By complete insiderisation he meant that headquarters functions may be diffused around the world say, with R&D, finance, production and marketing done in different locations.

The idea being to serve the customer best. This global customer focus may even lead to competition for customers within the firm and decisions are made at the lowest level possible with senior management often overseeing a very complex structure. By true globalisation he meant a company where the centre retained control of branding and policy; but staff saw themselves as loyal to the ethos of the whole organisation, not just to headquarters or to their branch.

However, Buckley et al (1976) found firms often jumped steps, giving five possible routes, not one, to overseas production. Only 11.6% of their sample followed the full route and 16.3% went straight from minimum export to investment in overseas production. Clark & Mallory (1992) too found several diverse routes taken by UK firms to establishing overseas production facilities. Research such as this has led to stage models being revised. Turnball (1987) presents a strong conceptual and empirical criticism of the stages theory and many start-ups today consider themselves global from the word go. Recently, knowledge-intensive industries exemplify this in the speed of their globalisation, Reich (1991). Reich felt it must not be forgotten that establishing foreign manufacturing is only part of internationalisation and flows of intermediate goods and knowledge can also be very significant.

Ohmae's latter considerations are, however, important and as this research will find resonance in the struggles of NGOs to adapt to local conditions whilst sustaining global policy directives.

Johanson and Vahlne (1992) suggest that only three adjustments are necessary to stage theories. These are:

1. Firms with large resources take larger steps.
2. If foreign markets are stable and homogenous learning about them is easier.
3. Previous foreign experience is generalisable.

McKiernan (1992), however, finds stage theories too simplistic with the stages lacking clear boundaries, moving in only one direction and therefore lacking in the possibilities of reverting to earlier stages etc. He is also suspicious of the assumed or suggested cause and effect relationship between stages. At best McKiernan allows that stage theories may be applicable to a certain place and time before the complexities he mentions of say, Taiwanese firms moving from original equipment manufacture (OEM) for export, to FDI by acquisition.

George Yip (1995 p.1) goes further in stating, "Many managers are asking if they are in a global industry and whether their business should have a global strategy. The better questions to ask are: "How global is their industry and how global should their business strategy be?". This is because nearly every industry has aspects that are global or potentially global and he sees almost every product or service market in the major world economies having foreign competitors. So, different parts of a company or an industry may be at different stages and also jump stages (forwards or backwards).

McKiernan (1992) simplifies this in a way that fits with other explanations such as transaction cost analysis. He states that organisations basically expand overseas for three reasons:

1. Increase returns: by capitalising on specific advantages and/or market imperfections e.g. by exploiting a patent with international protection.
2. Decreasing costs: by improving the efficiency of operations in the value chain e.g. locating production overseas for cheaper labour.
3. Decreasing risks: by diversifying the asset base e.g. locating in a spread of countries where cash flows in differing currencies will even-out currency fluctuations.

Of these three reasons, one and two appear more applicable to NGOs. For example, Greenpeace or WWF, who internationalise quite aggressively, could be said to come close to exploiting the strong advantage of their green credentials to increase membership, raise funds and carry out their programme work. WWF's voluntary Boards overseas are each tasked with raising the same (albeit small) percentage of their countries GDP, for wildlife conservation, under license to use the brand name and panda logo.

The second could be equated to NGOs using branches or partners as distribution points for funds or information rather than attempting to send money directly to beneficiaries or, for example, to press release a campaign themselves world-wide.

The third reason may not yet be directly translated into financial risk diversification, but the spread of assets, for example, in terms of campaigning organisations' knowledge base or evening out the possible successes and failures of programme work may well be a factor in internationalisation.

Craig (1996) goes some way to rehabilitating stage theories. He writes that globalisation is a stark reality for all as small and medium sized firms are going global. He sees three key management tools and three phases of development which need to be matched up so that the right strategies are chosen for the stage a firm is in. The three tools are:

1. Information system technology.
2. Administrative structures.
3. Resource deployment.

The three stages of growth are:

1. Learning, selecting an area to compete and leveraging a core competence.
2. Building a position in the markets, establishing local presence with new products adapted to local taste and preference.
3. Integrate and co-ordinate across national markets emphasising leadership.

He believes the second stage is the hardest because it involves diverse ethical and legal standards of competition. His views come down against Levitt in advising product adaptation to local markets rather than building global brands. He does, however, highlight the growing importance of information system technology in managing a global enterprise

and the difficulties in adapting rapidly to different cultures and established practices or legal arrangements.

This work is a development of stage theory which may be much more applicable to NGOs as service organisations. Whilst stage theories have weaknesses they also provide a useful framework against which the progress of NGOs can be charted. Even if the NGOs are shown not to follow the paths outlined above their own pattern or patterns will emerge by contrast. In tracing these patterns comparison with other theories may be possible.

Stage theories have been examined here in some detail because they will be used in this thesis to look at one element of how NGOs internationalise. Despite their admitted drawbacks they form a benchmark against which the paths taken by NGOs can be considered. Ohmae's theory was used because its latter stages seemed to offer a pattern that could be particularly relevant for NGOs. It will be examined in greater detail in the next chapter.

2. 4 Summary

This chapter traces the history of international trade from the classical theories of trade between nations to the more recent theories of firms. However, whilst there is extensive coverage of the international development of commercial companies there is virtually no appropriate literature to chart or explain the process or practice undertaken by NGOs.

It should be noted that theories of firms are increasingly likely to fully encompass service industries, which are closer to the form that NGOs take than are manufacturing industries. McRae (1994) predicts that there will be a gradual shift away from the production of manufactured goods towards services. As manufacturing technologies move increasingly easily across borders it will be harder to gain competitive advantage by just making things, "Instead comparative advantage will come from design and marketing, from branding and distribution"; which are also all areas of increasing concern to NGOs as they internationalise.

The literature does, however, provide many concepts and ideas; which, whilst being derived from commercial practice, may well serve as reference points for NGOs particularly those who are investing or intending to invest in fundraising operations overseas as well as their programme work. This is because the process of investing in fundraising overseas is akin to foreign direct investment (FDI) for a commercial company. International development can, of course, take place without FDI or an investment in fundraising e.g. by way of franchising or licensing the use of a company or NGO logo or through the expansion of programme work on a non-profit basis.

This chapter bridges the transition from theories of nations to those of firms using the work of Porter. Though written in 1990 his work looks at clusters of companies rather than nations and so forms a useful step between the two groups of theories. From Porter the chapter moves forward to follow the progress of theories of the internationalisation of

firms from the 1960s through to the present day. Dunning provides a useful look at various chronological periods in the growth in importance of the internationalisation of firms.

The numerous terms used to describe various types of international company, and some of the processes, are then explained before moving into a discussion of the main theories. These are split into "driving force" theories examining why NGOs internationalise and "stage theories" examining how NGOs internationalise. These cover the "why" and "how" of internationalisation respectively. The first theory is Vernon's product life cycle, which seeks to link the process of internationalisation to the well known theory of product life cycle. The complexities of today's internationalisation decisions have now overshadowed this theory. Permuter's theory of international orientation is a more complex theory but has not been widely followed. Coase's transaction cost analysis is covered though it is rather a self-complete tautological theory. The OLI theory of Dunning, the "current best fit" theory of Clark, Pugh & Mallory and the McKiernan's network theory are all useful in looking at NGO expansion. Lastly, the theory based on "international drivers" by Yip is outlined and considered in regard to NGOs.

The area of stage theories is covered by looking at the work of Bilky & Tesar and others including Ohmae; but taking into account the comments of opponents like McKiernan.

In looking for the "how" and "why" of NGO internationalisation two theories stand out as useful tools to use in the search. These are Yip's drivers which give a wide set of comparators enabling a comprehensive look to be taken at the various forces behind their

internationalisation and the stages model of Ohmae whose latter stages may be particularly relevant for NGOs.

The next chapter focuses on these two theories, from which are drawn the propositions that are considered by the research of this thesis.

CHAPTER 3

Yip, Ohmae and Resourcing Expansion: Forming the Three Propositions

3.1 Introduction

This chapter looks in depth at two theories highlighted in Chapter 2, from each of which is derived one of the three propositions on which this research is based. The next chapter sets out the methodology, which was used to examine the three propositions (it also shows how Yip's forces and Ohmae's model were adapted in their phrasing to make them relevant to NGOs).

In this chapter, the propositions based on these theories are discussed. The chapter is divided in three sections. Section 3.2 looks at Yip's globalisation drivers with Section 3.3 looks at Ohmae's model and Section 3.4 introduces and discusses the propositions. The propositions are used to allow consideration of why and how NGOs internationalise.

Having considered the theories of internationalisation of firms, it has been noted (Chapter 1) that there is no equivalent literature for NGOs, indeed, Lewis (2002 p68) remarks that "third sector management research remains in many ways an underdeveloped field". This raises the question of how far NGO activity can be compared with that of companies.

NGOs have been characterised by Handy (1992) as falling into one of three categories. These are; "mutual support" organisations such as associations to do with hobbies, sports or small groups of fellow sufferers; "service delivery" which are the largest and best

known such as Save the Children, RNIB or Relate which offer a clearly defined service; and lastly "campaigning organisation" such as CND, Amnesty or Greenpeace where supporters campaign for a cause or act as a pressure group. It should, however, be acknowledged that these are relatively "pure" types of organisation and many NGOs undertake a wide variety of functions.

Handy notes (1992, p13) that "Some of these organisations have so many paid staff (the Spastics Society has over 1,200) that it is hard at first to tell them apart from their counterparts in the statutory sector." Yet, this distinction is crucial. The UN, for example, in part defines NGOs as those receiving less than 50% of their income from government and Salamon and Anheirer (1996, p 2-3) argue that the division in concepts such as "public" and "private" or "market" and "state" is now seriously challenged by organisations forming the third sector that are "private in form but public in purpose". They see NGOs as the organisations that society is now increasingly turning to, in order to deliver the services which governments are either unwilling or unable to provide effectively (indeed, in relation to the development of Eastern Europe they are often seen as forming if not actually performing as civil society itself).

Segal-Horn (1989 p183) defines service industries as opposed to manufacturing as "those whose output is not a physical good or product but an intangible "experience". She then goes on to argue that this gives a clear separation to problems encountered in internationalisation, because service delivery is about ensuring the quality of that experience at the time it is received by the customer who will want it to be the same where

ever they are in the world. Her definition is closer to the view of Levitt (1982) than others and in say, the case of hotel services it is arguable that integration with local traditions can be more effective for certain customers. For NGOs there are two "customers" to keep in mind. One is the donor, member or supporter who makes a financial gift to the organisation in order to help it carry out its activities. The other is the recipient of those activities where this involves providing relief, material assistance or other forms of help. In some cases, such as some campaigning organisations or mutual support groups, these may be the same people. Under the Segal-Horn definition, and for the purposes of this research, it may be more instructive to allow each of Handy's three categories of NGO to be termed "service" organisations, certainly as opposed to "manufacturing" concerns.

One key characteristic often shared by service companies and NGOs is asymmetry of information, in that both types of organisation may have information and knowledge to impart or sell which cannot be otherwise accessed by the recipient. Companies, however, usually operate in markets where customers can check the details of rival products; which is often more difficult in relation to NGOs as they do not compete at the point of service delivery so readily as commercial organisations. Differences may also exist due to firms charging for their services (which NGOs usually offer freely or for no profit) and due to NGOs raising their funds instead through fundraising techniques separate from their service delivery. The latter may, for example, make comparison with the effect of the commercial practice of forward direct investment (FDI) more difficult: due to the differences in measuring return on investment, which in the case of NGOs is unlikely to be purely in financial terms.

Paton and Cornforth (1992, p43) argue that there are six key differences, which when combined make the managing of NGOs distinctly different from commercial organisations (whether service or manufacturing). These are:

- “Social goals - which make it more difficult to determine priorities and evaluate performance.
- Particular resource acquisition and management issues associated with independent, non-trading organisations.
- The nature and variety of stakeholders and their relationship with voluntary organisations.
- A "way of doing things" or culture that emphasises value commitments and participatory-democratic decision-making.
- Operation through small informal units.
- The virtual absence of complex technological systems.”

These differences set the process of managing NGOs apart from that of managing commercial organisations, and it is these differences which this research sets out to illuminate in regard to internationalisation; though in making any comparison between firms and NGOs it is prudent, taking into account the information above, to use models or theories which can be applied to service industries rather than manufacturing.

Segal-Horn (1989) also argues, however, that the literature on international management has concentrated heavily on manufacturing industries, despite the situation where service industries generate two thirds of the GDP of developed countries. This has informed the

selection of the work of both Yip and Ohmae as focal theories for this research. Yip's drivers are universal forces external to each organisation and provide pressures and opportunities to both manufacturing and service industries. Yip (1995) talks about a company's core business strategy in relation to both the types of products and the types of service offered. He also quotes from the experiences of both manufacturing companies like Coca-cola and service companies like Saatchi & Saatchi. Similarly, Ohmae's stages are not just recommended for manufacturing industry, but for all companies as part of his wider theory of the "borderless world" in which all companies are advised to seek the truly globalised stage where staff think as well as operate universally. Indeed, Ohmae (1994, p x) looks forward to people having "the widest range of choice among the best and cheapest goods and services from around the world".

Of course, NGO's operations are not entirely the same as commercial service companies in all respects and, as noted above, in operationalising this research the phrases used in depicting the models needed some adaptation and extension to make them clearly comprehensible to participants in the study. The differences with companies is an area that this research explores through the effects of Yip's drivers, the stages reached in internationalisation and the financial resources used and developed in that process.

Yip's drivers are chosen in part because, by contrast to other theories, they provide a clear set of forces that can be considered in the light of NGO experience, and so draw out the key reasons why NGOs internationalise. This allows an analysis of why NGOs internationalise to be put in the context of broad international forces. Ohmae's model was

chosen because, in conversations with NGO staff during the exploratory stage, it appeared likely to prove the closest of the stage theories to NGO practice, and, as a stage theory, sets out a framework against which NGO practice can be compared. Ohmae's model was also one which brought together and expanded a long line of previous models and encapsulated the stages view of internationalisation.

The body of research in Chapter 2 provides rich ground for developing the propositions, and it should be acknowledged that other theories contribute to the theoretical context for these propositions, though their application to NGOs will not be directly tested. These are, principally, Porter's "diamond" of conditions for international competitiveness, which gives reasons for UK and US NGO preparedness for internationalisation (as opposed to NGOs from other countries). This theory sets out the pre requisites for an industry in one country to become internationally competitive in recent times. It does not, however, allow for the comparison of individual organisations. Also McKiernan (1992) whose network theory fits comfortably with NGO practice does not give such clear cut driving forces as Yip, and Levitt's theory of international lifestyle convergence which gives NGOs a rational for the expansion of their international income generation is already an acknowledged part of Yip's globalisation drivers.

The focal theories finally chosen allow comparison between an NGO's response to global drivers and the commercial possibilities opened up by those drivers as well as a comparison with the stages that may be taken by commercial companies. This gives a clear grid on which to map and evaluate response.

As, however, there is little academic research that would support an informed discussion of the NGO process in relation to these activities, the discussion in these three parts immediately below is based on conversations during the exploratory research and pilot project with directors of development for a dozen large international NGOs. These three parts are finally followed by a short section; considering how the next chapters cover the methodology (which includes the adaptation of Yip's drivers and Ohmae's stages for NGOs) and the analysis used to test the three propositions.

3.2 Yip's globalisation drivers

Yip's drivers represent a wide range of external forces influencing internationalisation. Yip (1995) saw contradictions in companies attempts to use their core business strategy as the basis for their international (or global) strategy. Core business strategies are often based on firms maximizing their competitive advantages; but when they are adapted for local markets there can be a deterioration of cost advantages, product quality and other competitive advantages. This happens because large differences in strategy and approach can appear from country to country.

Yip's advice to managers is to develop a global strategy based on careful regard to the external drivers of globalisation (discussed in detail below), which change over time, and therefore need to be frequently reviewed. This analysis is then used to develop "global strategy levers" which are the decisions that can be taken in regard to maximising the advantages to be gained from the drivers (or from changes in driver conditions). The levers

were decisions about such elements of strategy as global market participation, global product range, global location of business elements, global marketing and the competitive position a firm might take with regard to its rivals. Yip also considered as a third factor to add to the forces and levers the firm's abilities in taking advantage of the potential global benefits. This he called the firm's "global organisation factors"

The globalisation drivers were, however, seen by Yip to be outside the control of businesses and so constitute universal forces, which by extension may also act on NGOs. Yip, however, cautions that "no industry scores high on every one of the many globalisation drivers" (Yip, 1995 p.21). He also admits that there may be sources of competitive advantage that outweigh the pull of the drivers; such as superior technology which might allow a strategy that goes against the direction indicated by the drivers.

In looking at changes in drivers Yip grouped them into five clusters; each of which had between three and eight drivers which constitute that cluster. The clusters are; market drivers, cost drivers, government drivers, competitive drivers and other drivers. These are outlined and discussed below in regard to NGOs; so that the reasoning behind the adaptations is clearer, and to make the results of the analysis that follows more comprehensible.

The groupings set out below are:

1. Market drivers

- i. Per capita income converging among industrialised nations.
- ii. Converging of lifestyles and tastes.

- iii. Increasing travel creating global customers.
- iv. Growth of global and regional (marketing and distribution) channels.
- v. The establishment of world brands.

2. Cost drivers

- i. The continuing push for economies of scale.
- ii. Accelerating technological innovation.
- iii. Advances in transportation.
- iv. The emergence of newly industrialised countries with productive capability and low labour costs.
- v. The increasing cost of product development in relation to market life.

3. Government drivers

- i. The reduction of tariff barriers.
- ii. The reduction of non-tariff barriers.
- iii. The creation of trading blocks.
- iv. The decline in the role of governments as producers and customers.
- v. The privatisation of previously state-dominated economies, particularly in Latin America.
- vi. The shift to open market economies from closed communist systems in Eastern Europe.

4. Competitive drivers

- i. The continuing increase in the level of world (competitive) trade.
- ii. More countries becoming key competitive battlegrounds.
- iii. The increased ownership of corporations by foreign acquirers.

- iv. The rise of competitors intent on becoming global partners.
- v. The growth of global networks making countries interdependent in particular industries.
- vi. More companies becoming globally centred rather than nationally centred.
- vii. The increased formation of global strategic alliances.

5. Other drivers

- i. The revolution in information and communication.
- ii. The globalisation of financial markets.
- iii. Improvements in business travel.

3.2.1 Market Drivers

"Per capita income converging among industrial nations" is the first market driver. This indicates that the business and professional classes in many industrial countries have incomes that are increasingly similar, giving an increasing level of disposable income, which can be used to consume international products or services.

This may be enabling many NGOs to fundraise in countries outside their home country, which sets the scene for the third proposition examined below. For example, Plan International report that "Traditional players like the Red Cross, Salvation Army and the Boy Scouts have all developed fundraising operations in all of the countries where they operate. This includes the Lions or Rotary Clubs." (Plan, 2001, p31) The extent of this development is apparently worldwide and the growth of affluent middle classes in Latin

America, India and the Pacific Rim countries may have created the conditions for fundraising in those countries.

"Converging of lifestyles and tastes" is perhaps a corollary of the first driver and the level of international communication. For businesses this makes possible the sale of "global" products that have not been modified to suit local markets e.g. Scotch whisky, CNN news, Burberry raincoats, Rolex watches. More than this, consumers now expect to have a whole range of similar products and activities e.g. to have similar kitchen equipment in their homes, to wear similar clothes and travel in similar transportation to play similar games like golf. This process is described by Levitt (1982), who argued for global products as the direction in which markets were moving; and though this concept has been modified by later writers (e.g. Bartlett & Ghoshal, 1989, who mentioned companies like Matsushita which had to change their policy of standardising global designs), it is based on the forces described by Yip as market drivers.

The pattern of professional and middle class support for philanthropic organisations may be increasing globally, along with knowledge of the issues they address e.g. from world news services like CNN. Professionals trained in the West also take back corporate and personal philanthropic ideals e.g. Hong Kong Chinese acquiring Canadian MBAs and returning to institute corporate social responsibility programmes in their companies. The pattern is amplified by the spread of philanthropic business organisations like Rotary International and Lions Clubs. Salamon and Anhier (1996) report that local NGOs are more extensive than previously realised. They give the examples, from their investigations,

of Sao Paolo, Brazil having 45,000 non-profits, Rio de Janeiro 16,000 and Brazil as a whole close to 200,000. In Egypt they report 20,000 and in Bangkok, Thailand 2,300 with 11,000 countrywide.

As part of this trend the driver "increasing travel creating global customers" has fuelled such convergence through cheap and safe travel; which has brought knowledge of and the desire for new lifestyles to customers around the world. The principle aspiration is sometimes held to be the lifestyle seen in US and European advertising. Worldwide travel by NGO staff and volunteers, and professionals from many developing and newly developed countries attending international conferences etc., may heighten knowledge worldwide among their peer groups about the NGOs and may also lead to the setting up of some overseas branches.

International companies (and organisations like the UN) may source their product components, services etc from companies around the world which allows say, Indian high-tech companies in Bangalore to compete with US and UK companies for certain services where they have a competitive advantage. Once these relationships are formed they may extend into global partnerships e.g. a company putting its executive up in Holiday Inns in Latin America is likely to use the same chain when it expands into East Asia. From this is drawn the driver "organisations beginning to behave as global customers".

The driver "growth of global and regional (marketing and distribution) channels" is illustrated by the late 1980s scramble for UK advertising agencies to merge into full-

service units large enough to provide a European or worldwide service, as barriers to trade fell across the EU (Saatchi & Saatchi may be the best known, though economically unsuccessful, example of this). On a firmer footing, companies such as DHL Couriers offer worldwide distribution services enabling companies to operate with increasingly equal efficiency almost anywhere in the world. The growth of international marketing and distribution channels enables goods and services to be sold, with increasing ease, around the world.

Most NGOs' core income (not earmarked specifically for project work) is from donations (or membership fees). These are acquired principally through direct mail, advertising, leaflets etc., so the development of these channels may be a pre-requisite for the setting up of overseas income generating branches on any scale. Worldwide distribution too can enable servicing of international supporters, for example, through a newsletter.

The convergence of lifestyles is made all the more obvious by the attraction of key global brands. The "establishment of world brands" as a driver is not just that growing numbers of consumers around the world know and ask for Coca Cola, or eat at McDonalds, but that they are increasingly sophisticated about the brand values of an ever increasing range of products and services and so increasingly seek to purchase branded goods or services.

Despite the financial problems of Saatchi and Saatchi who tried to create a global agency which would especially cater for these global consumers, the "push to develop global advertising" appears to remain a credible driver. Global brand names can be built and

reinforced through advertising which covers many more countries than the products are for sale in. This raises awareness and prepares the ground for later, more targeted, marketing. It is only possible through economies of scale using global advertising distribution networks, e.g. CNN.

3.2.2 Cost Drivers

At the heart of cost drivers is the simple phrase "continuing push for economies of scale". In those sectors where economies of scale (i.e. the cost of producing individual products falling with the number of units produced) can be achieved this may act as a driver because global sales may increase volume and increase economies of scale. This is supported by the product life cycle arguments of the previous chapter, which argues that economies of scale bring down unit costs allowing competitive export when the home market is saturated.

Once an NGO has achieved a certain size e.g. by becoming a national organisation with tens of thousands of donors, it may be that increased economies of scale are slight because mailing and printing costs (which are often a key cost of income growth) cannot be brought down any further by internationalisation; which is likely instead to add distribution (and perhaps language translation) costs. This may make cost reduction an unlikely driver for NGO internationalisation.

"Accelerating technological innovation" is a driver that has had a whole series of effects on international business. One of the most striking is the increased ease of international

communication in television, new media and for personal communication especially in the case of e-mail.

"Advances in transportation" has become a driver for firms as (despite some local difficulties) worldwide road and rail networks, airfreight and shipping have improved in quality, reliability and safety (including political risk), it has become increasingly easy to ship products, components and people around the world. This is likely to have made the development of both international companies and NGOs much easier.

The "emergence of newly industrialised countries with productive capability and low labour costs" is said to have encouraged the globalisation of firms by providing new markets for finished products and components, increasing numbers of consumers with disposable income and cheap sources of labour which encouraged companies to locate their factories in new countries, so increasing their knowledge of internationalisation and likelihood of repeating that internationalisation.

Levitt (1982) argues that the newly industrialised countries have apparently created a much larger pool of professional class people and these people, as discussed above, may be a major potential market for NGOs. These countries productive capacity and low costs of labour are perhaps not so important for NGOs, as has also been noted above.

The "increasing cost of product development in relation to market life" has perhaps led to the need to maximise sales internationally to gain the advantages of scale and repay the

high cost of product innovation. As new improved products enter the market with increased rapidity the shelf life of existing products is diminishing and an investment made in creating new products much sooner than was the case in the past. Only recently have many NGOs had to consider very seriously "product" development i.e. changing their proposition to potential donors. The huge drop in support for environmental organisations (30-50%) in the late 1980s and early 1990s, such as faced by Greenpeace has forced them to look at their core work and the public's perception of that programme. Amnesty too has faced competition from smaller more media conscious human rights organisations such as the Watch Committees and in the 1990s from Medicines Sans Frontiers (MSF). There is, however, an inbuilt reluctance to change the product to reflect its market life owing to close identification of the NGO product with its core values or professed principles.

3.2.3 Government Drivers

The "reduction of tariff barriers" is said to have facilitated free trade and capital movements by reducing the costs, and increasing the opportunities for doing business overseas, and in so doing have made exporting and global expansion easier though expansion is sometimes done primarily on a regional basis e.g. regionalisation in the EU.

The "reduction of non-tariff barriers", for example, quotas on goods or delays in processing imports has similarly facilitated international trade and competition. Some organisations face government bans on their operations e.g. Greenpeace in China, or indefinite delays in registration as legal entities e.g. Amnesty in Egypt, which prevent the setting up of income generating branches. Similarly, the "creation of trading blocks" is also

said to have stimulated trade between those countries and helped to develop firms' knowledge of international trade.

The "decline in the role of governments as producers and customers" has apparently acted as a stimulus to companies now faced with international competition without the backing of the state. It can also allow uncompetitive companies and industries to fail and close. Salomon & Anheirer (1996 p.xvii) argue that "declining confidence in the ability of governments" has had a dramatic and positive effect on some NGOs which have become contracted service providers to governments (local or national) taking on former state activities. It may have also increased the need for many NGOs' programmes as state social provision has fallen, though to a different extent in different countries. The UK government has certainly helped charities by increasing the methods and scope of tax reclamation from donations e.g. Gift Aid and Give as you Earn, so helping them to secure the financial resources necessary to take up a larger burden of service provision

The "privatisation of previously state-dominated economies, particularly in Latin America" may often have opened companies to international and internal competition, which has in some cases stimulated exports and FDI. In other cases firms have closed unable to compete in international or national markets.

The "shift to open market economies from closed communist systems in Eastern Europe" has, to varying degrees, driven international companies to invest in those countries and to compete for market share with their international and local rivals. It has increased

internationalisation as firms begin to operate in many new countries. This has also enabled branches of many NGOs to be set up in Eastern Europe e.g. Amnesty in Russia, Poland and Hungary. At present these branches are very small often centrally funded and only gradually learning to generate their own income with little resources (of funds or know-how) given by their parent organisations. These countries have also developed local NGOs, encouraged by the West, as part of the process of building "civil society".

As was noted earlier huge resources for development and the creation of the non-governmental and non profit elements of civil society have been channelled through NGOs to countries that were formally totalitarian. That has had the effect of establishing a multitude of branches and partner organisations.

3.2.4 Competitive Drivers

The increasing level of competitive trade globally is claimed by Levitt (1982) and Porter (1990) as a strong factor which may have driven globalisation, as firms jockey for position in an increasingly global market. Those companies that do not establish a global position are said to be leaving themselves increasingly vulnerable to competition from global companies now commanding huge resources and the advantages of both scale and scope. NGO competition for funding appears by repute to be strong and increasing in the West, and the global market is expanding as lifestyles etc converge (Levitt, 1982).

"More countries becoming key competitive battlegrounds" indicates increased internationalisation as companies are increasingly choosing to fight competitive battles in

countries away from their home markets and preferably in the home markets of their rivals. The US and UK are the real battlegrounds for NGOs (as mentioned in the discussion on the UK diamond in Chapter 2) but recently this has begun to spread into Europe and the process has begun to reverse itself with MSF (a French charity) competing in the UK.

The diminishing state controls in many countries over the acquisition of firms has led to increased internationalisation as successful companies buy into new markets, skills, brands and distribution systems etc. creating the driver "increased ownership of corporations by foreign acquirers". There is some evidence that companies operating in the West and particularly the US are taking on the host country firms attitudes towards local philanthropy e.g. Japanese companies in the US. This is having a knock-on effect in the Pacific Rim countries as staff returning to their local companies look at their corporate philanthropic activities and managers acquiring MBAs from the US take on the strong American philanthropic ethic.

The "rise of new competitors intent on becoming global competitors" and thinking globally from the word go, may stimulate existing companies to do the same, though, at worst, this is merely for defensive reasons.

The "growth of global networks making countries interdependent in particular industries" is an intensification of globalisation rather than a pure driver. For example, components may be manufactured in several different countries which specialise in that manufacture. These may then be shipped to an assembly plant elsewhere making the country, which the

assembly plant is in, dependent on the specialist countries for manufacture of the component parts. Without the possibility of complete manufacture in one country the countries involved may become increasingly interdependent, for example, Mexico and the US where much final assembly of specialist parts, made in the US, is undertaken in Mexico.

"More companies becoming globally centred rather than nationally centred" is really a result of globalisation whereby companies cease to regard themselves as a national companies, and may have their head office in one country for tax reasons, their manufacture in several and their marketing in one more. British Airways redecoration of their planes to reflect a global perspective is indicative of this trend though Asea Brown Bovary may be a better example of a truly global company not having such a strong identification with one country. Also the "increased formation of global strategic alliances" may strengthen existing international companies, but also forces other companies to look for alliances in self-defence.

3.2.5 Other Drivers

The "revolution in information and communication" is a specific part of the technological revolution and is commonly held to have eased internationalisation and intensified the time factor of competition as companies gain knowledge at similar rates, and as their competitive advantage is quickly known and perhaps copied by competitors. It is also said to have made it easier to internationalise by making communication between countries

quicker and simpler also by increasingly eliminating difficulties due to lack of country specific information.

The "globalization of financial markets" which has eased international share purchase and the movement of large amounts of capital, has apparently made it easier to acquire overseas companies and to raise funds around the world, as well as making start up capital easier to acquire in less developed countries; though it has also increased international interdependence as individual country markets are no longer immune to financial fluctuations in other parts of the world. The "improvements in business travel" too has simply made international business easier and stimulated customer sophistication.

Yip (1995 p.19) argues, with some reservations, for the development of "global standard products" (which can theoretically be sold worldwide) and identifies four categories of benefits from this and globalisation in general. This is cost reduction, improved quality, enhanced customer preference and competitive leverage. Similarly, Levitt (1982) saw global products as being relatively cheap, through economies of scale, of high quality with universal features rather than differentiated.

It is difficult to ascertain the difference between say, being a member of Greenpeace or Amnesty in Japan or the UK. This is because, though the organisations and countries are different, the product received is largely the same i.e. a newsletter and perhaps the chance to join local group activity, campaign or vote in the NGO's internal elections. The meaning of being a member may, however, be largely culturally dependent. The cost of membership

too varies from country to country, though is often artificially low to match other organisations fees or perceived resistance to recruitment at higher fees (Amnesty and others in the UK often pitch their joining fee so low that they have a 30% level of additional donation given over membership fees at the point of joining).

"Transferring capability" often happens when companies form partnerships with others overseas and transfer to them knowledge to enable them to play their part in the process agreed on. Sometimes countries demand such transfers of knowledge as a condition of partnerships (e.g. joint-ventures) with local firms. This is likely to lead to an intensification of competition as local firms begin to use the knowledge transferred to them to compete with the companies making the transfers.

Through the late 1970s and especially in the early 1980s income-generating expertise was transferred en masse to European NGOs from the US (and to a lesser extent the UK) via the annual International Fundraising Workshop (IFRG) in Holland. That the US and UK had already built up the kind of infrastructure that Porter, (1990) saw as necessary for the competitive advantage of nations, which gave these countries a head start in developing and exchanging ideas about sophisticated fundraising concepts. Before that, there appears to have been much less exchange of fundraising information across the Pacific and very little beyond Europe. Individuals were occasionally seconded to assist branches in other countries, but only tentative steps were made by Oxfam, HelpAge International and others to assist partners overseas to raise funds.

In the late 1980s and early 1990s NGOs began sending groups of staff to a number of international fundraising workshops and to develop their own internal workshop systems. The IFRG itself assisted the first fundraising workshop in India in the late 1980s and supported by a few other international NGOs set up equivalent workshops in Eastern Europe, the Americas, Africa and the Pacific Rim.

"The influence of global trends" means companies are aware of competitors moves much more quickly than they were in earlier years, and also may have shaped some NGOs strategic perceptions. For example, the worldwide development of Greenpeace, WWF, UNICEF etc., may have highlighted for other NGOs the possibilities of equipping overseas branches with fundraising capabilities rather than continual financial support.

Watson (1982) argued that another strategic element which encouraged globalisation was actions to counter competition abroad and protect the home market. A global company could use its international resources to enter a market and the local company may not have the ability to counter that threat. If the local company had say, 80% of the home market and that represented a market much smaller than the total world market of which it had only a 10% market share then an invading competitor who had 30% of the global market (though they may not even be the largest world player) would be well placed to undercut the prices of the local company or otherwise use its global power to compete effectively. Bartlett and Ghoshal (1989) give the example of Bic, which adopted this approach in country after country; using its position in France and other countries to undercut and defeat UK manufacturers then using its enhanced European position to undercut and defeat

its US competitors. Watson (1982), however, recommends counter attacking on the competitor's home territory rather than say, reducing prices in the home country and therefore diminishing the income needed to fight off the competitor. By contrast, NGOs do not yet appear to feel they should compete quite so fiercely; and though they recognise that competition exists, are apparently unlikely to deliberately instigate moves that would seriously undermine a competitor's income.

Yip's drivers have been considered at some length to make clear the forces he sees as affecting internationalisation, but they say nothing about the process itself. For this Ohmae's stage model has been used, as a way of mapping out the route that companies and therefore NGO's might take.

3.3 Ohmae's Model

In developing his model, Ohmae (1985) drew no distinction between manufacturing and service companies quoting companies like Nissan alongside companies like Reuters becoming "global". He also felt consumers were moving in the same direction when "they had access to information about goods and services from around the world". This thesis considered that NGOs, as service delivery organisations, might follow similar stages. Chapter 4 explains how Ohmae's stages were adapted to operationalise them for the research.

He refined the previous stage theories (discussed in Chapter 2) into a model with five stages. These were:

- 1.Export via agents
- 2.Establishment of sales subsidiary
- 3.Establishment of foreign production
- 4.Complete insiderisation
- 5.True globalisation

The first stage is when companies decide to sell products overseas and do so by allowing agents or distributors to handle this process for them. This move and the subsequent moves to further stages may have first been prompted by overseas orders. In the same way NGOs might realise they have the opportunity to establish a branch and/or raise funds overseas by receiving donations from supporters living abroad.

The second stage is when the company decides that the process of exporting can better be performed if it takes control and runs a sales subsidiary or similar operation itself. This is akin to an NGO establishing those branches or linking to overseas partners with similar interests.

The third stage comes when the company is not just exporting but setting up production facilities overseas either for identical products, entirely new products or a version of existing products adapted for the local market. In an NGO this could be likened to the stage at which branches and/or partners begin to raise funds locally, adapt campaigns or other programme work to local circumstances, perhaps in regard to a different culture with

different traditions, but still staying clearly within the ambit of the home country NGO. This stage is one where the range and complexity of the branch or partner has deepened.

The fourth stage may occur as a direct result of the adaptations undergone in stage three. Here the firm becomes an "insider" in the markets it services with all the resources necessary for that including research, manufacture and marketing. Ohmae calls this "complete insiderisation". This stretches the home country firm, which often has to provide facilities such as personnel and finance to its overseas branches. It is also a time of tension with branches beginning to change or challenge home country policies and practices, even, or perhaps especially, in regard to branding. The mind-set of employees, however is still one of loyalty to the home country, and it is this loyalty that Ohmae (1994, p93) believes will need to undergo a subtle but far reaching change. He states that "the problem is psychological, a question of values" and that employees frame of reference "must include, day by day, the universal values you share with your colleagues in every part of the world". Only this gives the necessary flexibility within limits which, he believes, a truly global company needs. For NGOs this stage is perhaps characterised by a challenge to policy and practice; which may come from a desire to operate within local culture and tradition, employing local staff and meeting local needs or campaigning on local issues.

The fifth stage which Ohmae calls "true globalisation" is perhaps best described by the state of mind in which the employees operate. This is one where loyalty is to the firm as a global entity not to the headquarters or the country where this is situated. Indeed, many of the traditional headquarters functions may have been dispersed around the world.

Operations will now take place where they are best suited to serve the global firm - the idea being to serve the customer best.

This global customer focus may even lead to competition for customers within the firm and decisions are made at the lowest level possible with senior management often overseeing a very complex structure. Senior management will, however, control branding and policy issues ensuring they too meet the organisation's global requirements and are not diffused unnecessarily.

In NGOs this stage may see some headquarters functions being dispersed. Indeed, the headquarters building itself may move; like Greenpeace which located its international headquarters in Holland. Loyalty may be towards the ethos and values or mission of the organisation rather than to the centre and NGOs may, perhaps, be better placed than companies to move towards this stage; as they have often put loyalty to the mission above loyalty to any aspect of the organisation, for example, the Universal Declaration of Human Rights, provides an overarching motivational focus for Amnesty staff despite any problems they might personally have with individual policies from time to time.

Globalisation itself, however, affects NGOs' programme work and well as the management of their internationalisation. This is examined in Part III to complete coverage of relevant issues before the propositions themselves are discussed.

3.4 Developing the propositions

3.4.1 Globalisation from Below

Richard Falk (1999, p.4) produced a note of warning on the effects of the process of globalisation, "This new global orientation reflects mainly a cold practical calculation of interest, reinforced by the capacity of franchise capitalism to light up the urban landscape throughout the world with McDonald's arches, a worldwide continental cuisine, five-star hotel chains, Benetton stores, homogenous casual and formal dress codes, global Internet access, real-time uniform news distribution by CNN and Sky News, and a capacity to be understood and entertained everywhere in the English language." His affinity to Levitt ends with a warning of a Western downsizing backlash combining with an end to Asian flexibility (as a higher priority is given to social demands) and he recommends the strengthening of tendencies towards world order values such as the transnational social forces dedicated to human rights, the environment, gender issues, peace etc as a form of "globalisation from below".

In that context, it is perhaps NGOs which are hastening to provide an ameliorating social glue between government and business in the development of worldwide civil societies.

For example, in Asian countries local branches of international NGOs are rapidly developing as they acquire and adapt and test various income generating techniques. In new democracies, where NGOs local partners have say, received an initial influx of money from first world funders (like the Soros Foundation in Eastern Europe), building their independent financial stability over the long term is essential, particularly if they are to take part in globalisation from below to any substantial degree.

For NGOs everywhere that seek to meet international needs, either newly created or traditional, knowledge of the process of internationalisation and its effective management may enable more effective and efficient decisions to be taken. The lack of directly relevant NGO literature gives space for comparative studies between NGOs and between NGOs and commercial companies. The following propositions seek to relate these theories to NGOs. If the propositions illustrate NGO behaviour, then it is likely that NGOs will be able to benefit by paying attention to the processes and practice of commercial entities in the management of their globalisation.

Ohmae , however, argues that:

"insight and consequent drive for achievement, often amounting to a sense of mission, fuel a thought process which is basically creative and intuitive rather than rational. Strategists do not reject analysis. Indeed they could hardly do without it. But they use it only to stimulate the creative process, to test the ideas that emerge, to work out the strategic implications..." (1985 p.1)

It is in this spirit of providing stimulation for NGO managers that the propositions below are derived and then examined, the results analysed and the conclusions presented.

3.4.2 The First Proposition

The first proposition states:

"That Yip's globalisation 'drivers' in the external environment influence NGOs in their internationalisation."

That is, Yip's globalisation drivers apply to NGOs, as well as companies. His extensive list of factors that may drive companies to globalise, discussed above, when adapted and extended can be tested to see if they fit the experience of NGOs. Before this is done,

however, Yip's drivers are adapted only so far as to make their description relevant to NGOs. This adaptation is discussed in more depth in the next chapter. Using these drivers serves to provide a wide range of possibilities from which the driving forces reported by NGOs can be drawn out.

The drivers include the changing political environment and the convergence of lifestyles noted by Levitt (1982).

3.4.3 The Second Proposition

The second proposition states, "that NGOs in their internationalisation follow a similar route to that set out in the stage model of the international development of firms outlined by Ohmae."

That is, does Ohmae's stage model apply to NGOs? As in the case of Yip's drivers, Ohmae's model is adapted to make the stages easily understood by NGO staff; and a limited number of additional stages, which might only apply to NGOs, are proposed. This adaptation is fully described in the next chapter. Ohmae's model, particularly in its final two stages, describes more closely than other stage theories the likely NGO experience which makes it a suitable vehicle to examine one aspect of the "how" of NGO internationalisation. The stage theories provide a clear pattern of international development against which to examine the internationalisation of NGOs.

The financial scale of NGO activity worldwide deserves attention. Salamon and Anheier (1996, p xviii) found that:

"The nonprofit sector, so defined, is a major economic force, employing 11.8 million workers in the seven countries for which complete empirical data were compiled. It thus accounts for one out of every 20 jobs, and one out of every 8 service jobs."

"At \$604.3 billion (474.7 billion ECU), the operating expenditures of the nonprofit sectors in these 7 countries represents the equivalent of 4.5 percent of the gross domestic product of the countries, and 4 times the gross sales of General Motors, the world's largest private corporation."

Though Salamon and Anheier use a broad definition of an NGO, this is nevertheless very impressive. Their definition is, however, broader than, for example, the UN's which defines organisations receiving more than half their revenue from government as government agencies and those receiving more than half their income from fees or service charges as private businesses.

This research only looks at international NGOs which have branches or partners overseas rather than local NGOs. These branches and partners are, however, often fundraising entities. Plan, (2001, p3) notes that World Vision and UNICEF raise funds in nearly all the countries they operate in and "traditional boundaries where one does program and where one does fundraising have all but disappeared". Though NGOs may traditionally have shipped resources from the affluent North to the developing and deserving South they appear to be increasingly seeking both sustainability through encouraging local partners and branches to raise funds to their work and through encouraging the beneficiaries to become economically viable units themselves rather than becoming financially dependent on the donor NGO.

NGOs, of course, do not raise their funds by identical methods to companies, though some buying and selling of goods and services does take place, as noted earlier, NGOs are much closer to service industries than manufacturing. Butler and Wilson (1990, p2) argue that NGOs act as "intermediaries" between donors of funds and the ultimate beneficiaries of the services provided. This they characterise as a "gift-relationship", following Mauss (1954) and Titmuss (1970), which is a complex relationship with groups of people who could be described as donors, supporters or members of the organisation but a crucial relationship as the continued existence of the organisation depends on its success.

Segal-Horn (1989, p143) notes, in talking about the globalisation of commercial service industries, that they are well entrenched in developed countries. Like manufacturing industries before them, however, they need to pay close attention to gaining global market share using their "brand strength, distribution networks and skill base", or they may lose markets overseas and in the end suffer serious decline in their domestic trade. This is because they may be vulnerable to attack by global players, who could use such tactics as lowering their prices in one country to drive out competition whilst maintaining their income from other markets.

There is, however, a dearth of literature on the management of the internationalisation of NGOs. Backman et al (2000) noted that even in regard to the management of NGOs per se practitioners they knew talked about severe reservations with the current rather small set of strategy models.

3.5 Summary

This chapter showed how the propositions were derived from the theories of Yip (1995) and Omae (1994), which are discussed in some detail. This is also set in the context of the literature on service industries in the absence of a similar body of research into the management of the international development of NGOs.

The next chapter sets out the methodology, which was used to examine the propositions. It shows how Yip's forces and Ohmae's model were adapted and extended to make them relevant to NGOs including the addition of appropriate drivers and stages with which NGO managers would be likely to be familiar.

The methodology used included both a written survey of NGOs (based on exploratory interviews and a pilot study) and a set of four case studies. Chapters 5, and 6 contain the analysis of the survey and the case study findings, whilst Chapter 7 provides a review and sets out the conclusions.

CHAPTER 4

Research Design & Methodology

4.1 Introduction

This chapter explores the method by which the data was collected and prepared for analysis. It outlines the original research plans and the modifications that took place in practice as the research proceeded.

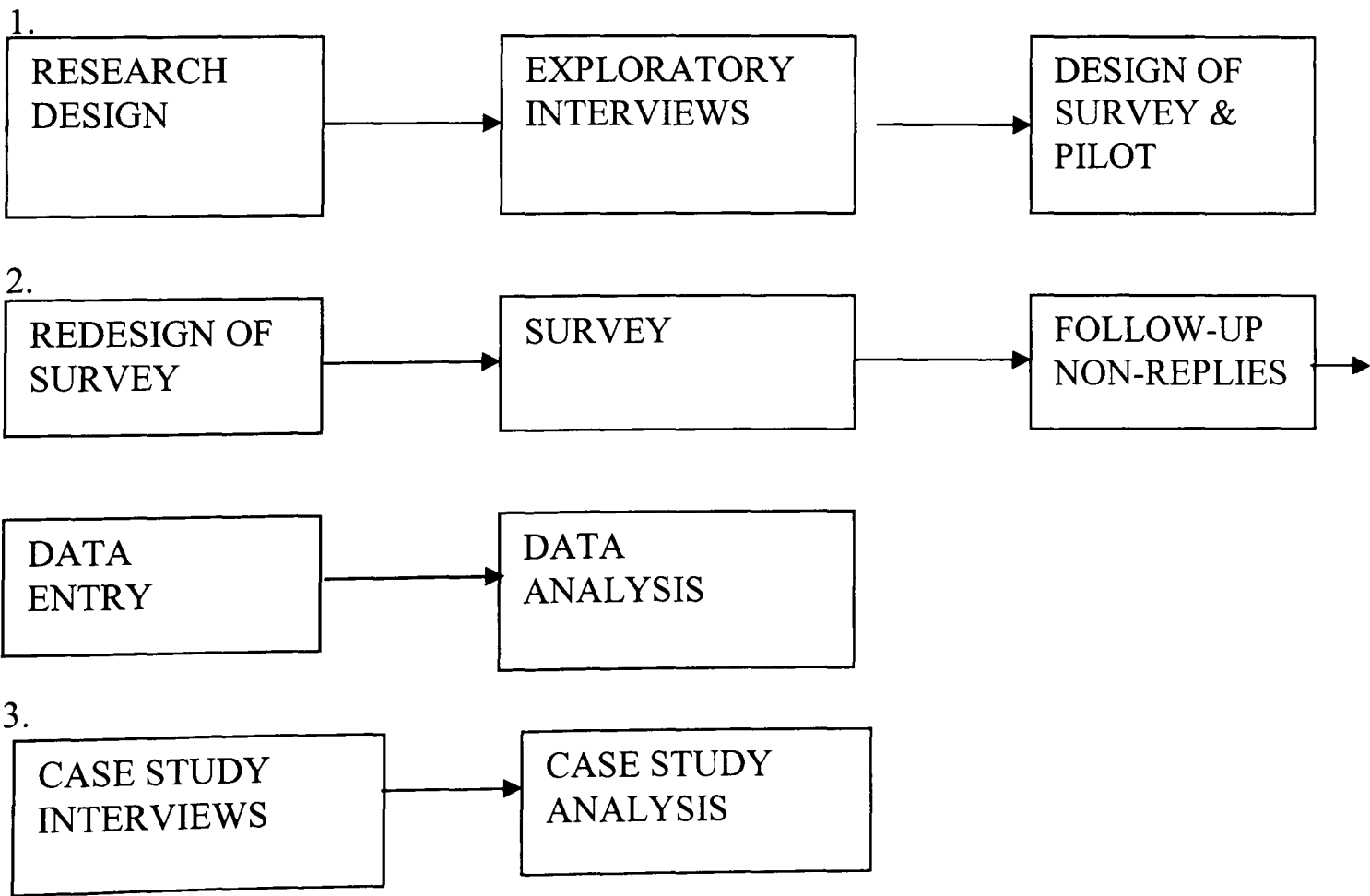
There are three sections. Section 4.2 deals with the exploratory interviews, pilot survey and survey instrument design, it then goes on to look at the analysis of each of the three propositions. Section 4.3 deals with the case studies, and section 4.4 summarises and concludes the chapter.

It was initially decided to undertake the research solely by means of a postal survey of the universe of international NGOs (i.e. those with branches and partners overseas) as far as it was known at that time. The survey was designed with the help of a series of exploratory interviews with CEOs or directors of development of appropriate NGOs. It was piloted with a different set of NGOs and was then redesigned and sent out to 340 organisations. Non-replies were followed up by post card and phone within two weeks of the deadline. The data was then entered into a database and analysed. See appendix 5 for a copy of the final questionnaire.

During the analysis it became clear that it would be helpful to enrich the findings, by looking in greater depth at the process of internationalisation in a small number of case studies. Four organisations were chosen in order to compare a variety of NGOs, with regard to size and speed of development, taking into account the time available for research. Two of these were from the top quartile of rapidly developing NGOs and two were from the slowest quartile. The two fastest were also considerably larger than the two smaller, in terms of both turnover and number of partners or branches established.

Figure 4.1 shows broadly the order in which different research activities were undertaken. The case studies were conducted after the postal survey data had been analysed and was a development not planned at the outset of the research project.

Figure 4.1 Stages from Methodology to Analysis



These stages were not all established at the outset of the research, but this is not uncommon.

"Methodological rigour is essential and refers to the clarity, appropriateness and intellectual soundness of the overall methodology and the conduct of the study. Methodological rigour implies the application of systematic and methodological methods in conducting the study and a careful, detailed, exacting approach. This does not mean that research is a neat and orderly process. Above all, it is a process of discovery and it is not possible to contain all the new developments which will take place." Hussey & Hussey (1997, p18).

The evolution of the research and its design show this process in practice with modifications being made in the light of discoveries, for example, with a modified questionnaire emerging from the pilot study. Cohen & Holliday (1982, p7) caution "Statistics helps the researcher accept or reject hunches he has about his data within recognised degrees of confidence - no more, no less." This research, however, added case study findings to the survey data giving qualitative data as well as statistical information.

"In all cases the major concern is with validity, by which is meant the design of research to provide credible conclusions: whether the evidence which the research offers can bear the weight of the conclusions which are put upon it." Sapsford & Jupp (1996, p1).

4.2 The Survey

4.2.1 Research Design

The research design stems from the propositions outlined in the last chapter.

These propositions state:

1. That Yip's globalisation "drivers" in the external environment influence NGOs in their internationalisation.
2. That NGOs follow a similar route to that set out in the stage theories of the international development of firms outlined by Kenichi Ohmae.

3. That NGOs whose branches or partners compete effectively for funds locally will internationalise faster than NGOs who fund their structures from the centre.

Data was required about a series of variables, which could be operationalised in such a way that analysis of the results would show to what extent the above propositions could be supported. As there was a lack of previous empirical research in these areas for NGOs, which were the obvious unit of analysis, a survey was used. Personal interviews with a large enough number of NGO staff to give adequate statistical data for analysis would have taken more time than was available. Neither could a telephone survey be used, as the data needed might not have been easily to hand, and the discussions would have taken an inordinately long time incurring undue expense. E-mail was still not ubiquitous enough to ensure the right people would be reached on a worldwide basis, neither was it certain that they would respond to an approach through what was, in 1997, a relatively new media. This left a postal survey as the most appropriate immediate data collection device. Exploratory research was undertaken to help develop the questions.

4.2.2 Exploratory Research

Exploratory interviews were undertaken with the focus on:

"...gaining insights and familiarity with the subject area for more rigorous investigation at a later stage" J & R Hussy (1997 p10).

The interviews were conducted to inform the decision about methods and refine an initial set of questions, which when reworked were then piloted and brought to their final form. This also served to check if the propositions could be tested by deducing logical consequences (i.e. framing questions capable of indicating support, or lack of it, for the

propositions), and testing these against empirical evidence (i.e. questionnaire data based on the respondent's observation or experience). That process involved operationalising key variables, and the interviews acted as an important check on how well interviewees understood the questions based on those variables.

These exploratory interviews were undertaken with staff at Cheshire Homes, Y-Care International, HelpAge International, and Marie Stopes. The researcher has worked for Oxfam, Friends of the Earth and Amnesty International in the past and that experience formed the context in which these initial questions were devised and the interviews took place. The former organisations were chosen because they represented a variety of types of NGO (medical, youth, development and a practical pressure group). The directors of international development (or relevant key players) of these organisations were known to the researcher, who could therefore secure access, and more importantly the time for discussion to develop questions. The organisations were well established with international branches or partners that had been in existence for some time.

The interviews took place in April 1998. They were conducted when the interviewees had adequate time to discuss the questions, and the issues raised, and were at their place of work where the availability of facts could be checked. The responses were recorded by written notes taken at the time of the interview, and in some cases these were supplemented by literature provided on the history of the organisation. Though the research was based on a trial set of questions concerning the organisations' international development, they were used as a structure around which the interviews were flexible and

open. The ease and ability of the respondents to provide or acquire data for the purposes of answering questions by phone, interview or written survey was also assessed.

The responses showed that:

1. There were more variations in the pattern, causes and funding of international development than was previously suspected. For example, the pattern and degree of control over overseas branches, the significance the founder often exercised and the amount of local funding developed by Marie Stopes and Cheshire Homes. So, the questionnaire needed to be expanded far enough to contain these variations.
2. The individuals interviewed could discuss quite well the international history of their organisations from the early days, which were usually in these cases post-war, and more importantly were prepared to pass on such information for the purposes of research. This meant that if the right person was selected i.e. of the same standing as these interviewees, then they could complete a written survey.
3. The interviewees were interested to learn how other NGOs were developing but had little personal knowledge of this. This indicated that respondents may be motivated to complete a questionnaire on NGO development in return for information about the results.
4. That interviewees needed time to check facts and numerical answers. This made a telephone survey less likely to be feasible.

5. That strategies for international development were often emergent (and in their early days ad hoc) rather than planned in advance. So, the questions had to allow for relatively unstructured patterns of international development.
6. In general, that they clearly understood the questions, terminology and concepts employed; which indicated that the questions were framed in an understandable manner, and confirmed that the interviewees were in the right position in the organisation to respond to a survey.

The changes that were then made to the questionnaire centred on the recipients way of providing answers; which was in the style of a historical narrative around the organisations development, rather than jumping back and forth between the propositions. This observation changed the order in which the questions were asked; to allow them, as far as possible, to follow a timeline from the first overseas branch to the present day influences, and then to look back at the stages of its development that the organisation had gone through.

The final distinction between branches and partners was more clearly developed as a result of these discussions, and the concept of an organisation that acted as a federation's headquarters emerged. Questions were added to clarify the relationship between branches or partners and the centre. The original concept of branches being either supported by the centre or largely supporting themselves through local, i.e. own country, fundraising was

shown to be more complex as the experience of more NGO's was brought to bear. So, the range of sources of income for branches was developed and the list of other supporting activities by the centre, such as training in fundraising techniques, was also enlarged.

Some of the NGO specific terminology for the variables was developed at this stage e.g. in the way in which the drivers were described; such as talking about the lower costs for campaigning, fundraising and programme work overseas (in questions on the possible economies of scale due to internationalisation) and the way in which Ohmae's five stages were described in terms of NGO's experiences. These are set out later.

4.2.3 The Postal Survey

The need for recipients to check facts and the length and complexity of the questions mitigated against a telephone survey. Hussey & Hussey (1997) point out that, though the response rates are often good and quite sensitive information can be accessed by phone the technique is inherently limited to those who are willing to answer questions in this way. It was also considered that the limited time that recipients, at the proposed level, would have to answer questions at work made this technique less likely to succeed than a postal questionnaire. The number of NGOs (over 100) and the distances involved (many were overseas) eliminated the possibility of individual interviews.

Because there were likely to be a variety of routes to international development, it seemed unlikely that a small sample of the population could be taken on its own and held to be representative of the population of internationalising NGOs. Indeed, the population itself

appeared relatively small; with some 380 listed in the relevant publications (see 4.2.6). heavily concentrated in the UK, US and Western Europe. Therefore questioning a representative sample or using only case studies was inappropriate. So, it was decided to survey, as far as possible, the total identified population. An incidental bonus was that postal questionnaires, as compared to interviews, eliminated bias on the part of the interviewer in recording answers as "each person is then asked the same question in the same way". Hussey & Hussey (1997, p64).

It was accepted that postal questionnaires have several drawbacks. These range from the possible low response rate to the variation in understanding of the questions from respondent to respondent; the person the survey was addressed to may pass it to someone else to answer or their own knowledge of the answers might not be complete or accurate. The pilot interviews, however, showed that some of these weaknesses were unlikely to represent serious problems. Indeed, it was reported that the respondent at that level usually understood the questions well, and could answer most of them if they so chose. They were also inclined to answer the questions themselves. As Director or CEO of the smaller organisations and Director of Development, or Director of Fundraising of the larger organisations they were usually the most informed and willing person in their organisation to fill in the questionnaire. The issue of confidentiality, which may have inhibited response, was addressed in the covering letter (see Appendix 4).

4.2.4 Population

According to Cohen & Holliday (1982) a population is wider than just a collection of people. It can refer to objects or events or, as in this case, to organisations though a population need not be very large. The characteristics of a population which differ from person to person, or organisation to organisation, are called variables. These could be, for example, height, age or weight. To these variables numbers or values can be assigned which can then be measured.

It is not always practical to take measures from the whole population (or universe of objects etc.) and so in many cases smaller groups or sub-sets are taken as samples. Where the whole universe is small or reachable it may be approached in its entirety and this was indeed undertaken in this research because the population of NGOs was relatively small.

The sampling frame

The survey covered the whole universe of international NGOs including those outside the UK, rather than using a sampling frame, because the number of known NGOs was relatively low. The questionnaire was sent to 339 NGOs with 51 usable replies, and several replies indicating they were not truly international.

The international NGOs to be considered can be divided into three distinct types essentially by their legal structure. The first type are those from any country that have branches in another country; that is, kindred organisations that they can exercise some legal control over e.g. the home country organisation may license its name and logo to the host country branch. In this case the branch will usually use the same name as the home

country organisation e.g. Greenpeace Japan or Greenpeace Brazil and follow a set of policies often including the governance of its operations.

The second type is composed of NGOs with recognised partners overseas. Their legal relationship will often be a contract for delivery of a certain service, which is likely to continue over a number of years. That is, organisations which have a slightly greater degree of independence than branches; sometimes using their own logo and being seen as locally started and managed often with legal independence, as they are not formally part of the NGO. For example, SightSavers overseas partners are assisted to raise funds and develop their management structure etc., but only use the SightSavers name or logo with direct permission from SightSavers not as a matter of course. These partners were not set up by SightSavers though SightSavers has encouraged their growth through workshops, both on fundraising and organisational development.

This is not the same as the partners that some development organisations mention in their literature, whereby the partner is merely in receipt of funds from the NGO and there is no formal degree of control (other than that which might be implicit in the act of grant making), and no help in developing or recognition that the partner is an associate of the NGO.

Several organisations recognise both partners and branches. Greenpeace for instance has national or regional branches whilst several smaller partner organisations may join together over environmental campaigns. Amnesty, on the other hand, only has what it calls

"sections" in many countries whose policy and practice is tightly controlled from the centre though they do have "pre-section structures", which are embryo sections that do not yet meet the requirements for admission to the Amnesty family of sections. Neither does Amnesty link with any other organisation in the partnership sense above and usually campaigns alone under its "no joint platforms" rule.

The third type of NGO is the international secretariat or Federation HQ, which has a degree of control often in key policy matters, over nominally sovereign branches around the world. The legal basis for this type is usually a much more comprehensive agreement than the other types, whereby a number of separate organisation join together forming a new grouping and giving up some of their independence in areas such as policy and research, as well as often agreeing to common standards and practices. These branches may well have developed entirely independently, and Multiple Sclerosis International is a good example of this. This type of structure is often found in medical organisations when local NGOs have been set up to combat certain medical conditions, but will benefit from such joint ventures as shared research or the development of ethical standards for patient care. These secretariats are often funded by taxing the branches. They may set standards and safeguard the brand name or they may be more actively involved in research or developing the organisational abilities of structures around the world.

The true status of many of the organisations surveyed in regard to their branches etc only became clear when they responded.

4.2.5 Population Size

Having determined the method of data collection and the variations needed, the population size was re-assessed. The possible universe of NGOs on which information existed, and who could be reasonably thought to have branches or partners overseas was not large, being some 140 in the UK, 60 in North America and 150 in Europe and the rest of the world. These figures were assessed by reference to the literature cited below. The numbers involved proved to be even less in practice. Despite the smaller than expected size of the population, the decision was confirmed to survey it in its entirety; though it was recognised that probably not every NGO would be found, or when found would respond. Those limitations, however, applied equally to other methods. The key limitation being the availability of addresses. It was also hard to ascertain how comprehensive the data was on international NGOs. The UN list of organisations with special consultative status included some 2,680 organisations, but these were nearly all national organisations rather than international NGOs, and the information on each NGO was not available on the Internet as it is today. The publications used have developed rapidly over the past few years and certainly cover the population more thoroughly than a few years ago when they were published.

Salamon and Anheier (1996) take a very inclusive view of those organisations included in the NGO universe. It may therefore be worth stating that the following have not been included in this survey; professional and business associations, sports associations, culture and recreation bodies, hospitals (though medical charities are included), housing associations, education and research. Neither have universities or colleges been included.

These organisations were excluded because they are not usually regarded as non-governmental often receiving a large proportion of their funds from government. They do not often have overseas branches or partners and are primarily one-country organisations.

The addresses used were drawn from three sources "The Voluntary Agencies Directory", NCVO, 1998, "The International Foundation Directory", Europa, 1998 (which lists NGOs worldwide) and the EU list for 1998 of UK NGOs in receipt of EU funding. Some comprehensive studies of the sector do not deal with individual NGOs e.g. the John Hopkins University study "The Emerging Non-profit Sector - an overview" by Salamon and Anheier (1996) provides only a country level overview.

Organisations were selected from these that were likely to be developing overseas rather than purely making donations or grants. These were then been cross-checked against various other lists i.e. the UN list of partner NGOs, 1998 the UK Project Partners Fundraising list, 1998 (drawn up by SightSavers International). These lists did not contain new organisations but occasionally held data that indicated if the organisations were purely one country organisations or were developing internationally. One danger of such sources is that they are rapidly out of date, but only six questionnaires were returned with incorrect or incomplete addresses. In two cases the respondent stated that they had taken over from the person addressed but completed the questionnaire anyway. It is not known how many did not reach their destination, because of incorrect or incomplete information. Of 338 organisations surveyed there were 78 questionnaires returned of which 4 were "gone

aways", 6 incomplete addresses and 18 were returned unanswered or unusable leaving 50 to be analysed.

In most cases, the choice of the recipient was limited by lack of detail in the lists concerning the various NGO's staff; but as the key person sought was often the CEO, Director or Secretary General, and this was the post which had a named holder, it was not a major drawback. For many of the UK organisations personal knowledge was used to target an individual who was likely to be both in possession of the facts and who would be inclined to respond. This may have given a UK bias to the survey.

4.2.6 Operationalising key variables

Proposition 1 states: "That George Yip's globalisation 'drivers' in the external environment influence NGOs in their internationalisation."

This theory was developed for business and the drivers had to be revised for NGOs by adapting or expanding them to fit the experience of NGOs (see tables below). For this proposition the variables were those drivers which Yip mentioned in "Total Global Strategy" (Yip, 1995). "These drivers were not set in stone, but subject to change over time" and Yip accepted that their importance would vary from sector to sector, arguing that each group of drivers has a different strength for each industry and may vary over the years. Therefore some industries have more globalisation potential and that potential changes too. "A common group of changes, increasing the globalisation potential of many

industries is currently spurring the interest of many managers in global strategy" Yip (1995, p12).

The drivers had, therefore, to be written appropriately for NGOs with adequate explanation of the terms used and in such a way that their application to NGOs was clear. For example, cost considerations play a large part in some firms' decision to set up manufacturing overseas, which may in part be because a key resource, for example labour, may be much cheaper abroad. In regard to NGOs, cost savings may possibly come from a reduction in their fundraising costs (as it may from service costs etc.) due to their ability to run the same campaign across several countries, and so reduce the costs of creating campaigns, printing the literature and through the use of bulk buying to reduce media costs.

As neither Yip nor others had operationalised his variables in a manner that could be used for NGOs, this process had to be started from scratch and related to NGOs experience. Yip has given measures of his variables, but these are intended to help companies develop a global strategy rather than estimate the influence of these drivers e.g. one driver is "global scale economies" and the measure is "the percentage of world market needed for minimum efficient scale production or service operation". An NGO director is very unlikely to have considered this or be able to answer a question posed in this way without considerable effort. As the drivers differ in their nature, the measures Yip advises companies to use also vary but none were directly applicable to NGOs.

4.2.7 How Yip's drivers were operationalised for NGOs

Tables 4.1 to 4.7 below takes one set of drivers giving Yip's description in the first column. The second column then sets out an equivalent for that driver appropriate for NGOs.

Table 4.1 Cost Factor Drivers and the NGO Equivalent

Yip's drivers for companies	NGO equivalent
Global scale economies, sourcing efficiencies, differences in country costs	Economies of scale in fundraising e.g. cheaper newsletter costs
-	Lower costs for campaigning work
-	Lower costs for programme work
-	Lower labour costs overseas
High product development costs	The increasing costs of developing new fundraising/campaigning programmes
	Other cost consideration

Table 4.2 Political Factor Drivers and the NGO Equivalent

Yip's drivers for companies	NGO equivalent
Reduction of tariff and non-tariff barriers	The lowering of trade barriers e.g. the ease of making international payments, remittances etc.
Creation of trading blocks (e.g. NAFTA)	The creation of trading blocks like ASEAN, NAFTA, EU e.g. the ease of setting up branches across Europe
Decline in role of governments as producers and customers.	The decline in the social role of governments.
Shift to open market economies from closed communist systems in Eastern Europe.	The fall of the Berlin Wall and opening up of Eastern Europe.
Privatisation of previously state-dominated economies particularly in Latin America.	Democracy in South America.
Increased participation of China and India in the global economy. Emergence of newly industrialised countries with productive capability and low labour costs (e.g. Taiwan, Thailand, China).	The growth of independent economies in East Asia.
Growth of trading blocks (e.g. inter-government co-operation).	The growth of intergovernmental bodies e.g. EU, IMF, World Bank.
	Other political actions.

Table 4.3 Competition Factor Drivers and the NGO Equivalent

Yip's drivers for companies	NGO equivalent
Rise of new competitors	Competing for funds internationally.
-	Competing for funds at home.
More countries becoming key competitive battlegrounds.	Competitors internationalising.
Growth of global networks.	The increased ease for NGOs to link with overseas partners or form branches.
Increased formation of global strategic alliances.	The formation by organisations of globally strategic partnerships.
-	The competition for international recognition e.g. with the UN.
The development of global advertising.	The ability to organise international campaigns due to global media.
	Other competition factors

Table 4.4 Market factor driver and the NGO equivalent

Yip's drivers for companies	NGO equivalent
Global consumers developing	Prompts from overseas supporters
-	The existence of overseas funds
-	Fundraising opportunities
	The need to be seen to be active overseas e.g. for legitimacy / credibility
	Programme needs overseas e.g. the need to respond to social problems
	Other market factors

Table 4.5 Technological factors and the NGO equivalent

Yip's drivers for companies	NGO equivalent
Accelerating technological innovation.	
-	The ability to exploit databases
Revolution in information and communication.	The development of e-mail
Globalisation of financial markets	The ease of moving funds globally
Revolution in information and communication	The ease of international communication
Fast changing technology...	The ease of transferring knowledge
Improvements in business travel	The ease of international travel
	Other technological factors

Table 4.6 Social change factor and the NGO Equivalents

Yip's driver for companies	NGO equivalent
Government and political change driving globalisation opportunities	
	Asia
	East Asia
	N.America
	S. America
	Africa
	E.Europe
	W.Europe
	Other

Table 4.7 General globalisation drivers and the NGO equivalents

Yip's drivers for companies	NGO equivalent
Per capita income converging among industrialised nations e.g. Japan	The convergence of worldwide professional salaries
Convergence of lifestyles and tastes.	Similarly, the convergence of lifestyles
-	The ease of producing standard fundraising products
Increasing travel creating global customers	Travel creating global donors and supporters etc.
Organisations beginning to behave as global customers.	Organisations becoming global customers / suppliers e.g. governments part funding projects worldwide
"Transferable marketing" and favourable logistics with differences in country costs. Common marketing regulations.	Growth of global/regional marketing and distribution e.g. the growing ability to use similar direct mail packs
Establishment of world brands (e.g. Coca Cola, Levi's, Louis Vuitton)	The establishment of world brands
Push to develop global advertising e.g. Saatchi & Saatchi's commercials for BA.	The push to develop advertising on a global scale as part of establishing world brands
-	The effect of world media e.g. CNN
	Other general globalisation factors

Yip gives four groupings for his drivers. These are market drivers (see this research's questionnaire questions 12.5 and 13.1 in appendix 5), which are split into two groups of questions because the variables fall into rather different areas), cost (question12.2), government (question12.3) and competitive drivers (question12.4). For the questionnaire these were extended to include technology (question12.6) and social change (question12.7) as separate groups of variables. These were not new drivers, but drawn from within Yip's

groupings to make these variables clearer for NGOs and the questions more balanced in size; as both technology and social change have as many variables related to NGOs as Yip's other groupings. Social change was broken down into region by region questions as it was felt that many NGOs were regionally focussed.

In each grouping the key variables were drawn out and phrased in such a way as to be clearly identifiable and relevant to the NGO staff responding to the questionnaire. Short examples were given to clarify the more complex variables, for example, "The competition for international recognition" was given the example of "the competition for recognition with the UN" because international NGOs are often in competition with each other in seeking to have observer status at the UN.

The key changes that were made centred on the tendency for NGOs to be driven by their programme and profile needs, as well as their fundraising and the development of their supporter bases. The business terms that Yip uses were also modified to make them applicable to NGOs and easily understandable to the respondents e.g. the way economies of scale were related to the possible reduction of fundraising costs. Some drivers that were only applicable to businesses were ignored e.g. the denationalisation of industries (though the relevant parallel decline in the social involvement of governments was not omitted), others falling into this category were the listings of corporations on multiple exchanges, and the increased ownership of corporations by foreign acquirers.

Each of these variables was given a Likert type scale, which, in five stages, went from negligible influence to very high influence. Hussy and Hussy (1997, p171) regard Likert type scales as "allowing a numerical value to be given to an opinion".

Other variables included the driving forces that led to the establishment of the first and subsequent overseas branches (question 1). That question also looks at the NGOs international structural variables i.e. branches or partners; as well as establishing the difference in variables related to levels of influence between programme work and income generation in international development.

There is an open-ended question (question 12.1), which asks for five external factors that have influenced the organisation's international development in order of importance. This allows for other factors to be mentioned and adds a check on Yip's drivers by allowing the respondent to add new drivers.

One other variable that applies to each NGO is the type of organisation replying (question 14). The definitions used were those which would be readily recognised in the NGO world that is; campaigning organisations, grant-making organisations, umbrella organisations, service providers and others.

After a presentation to academics and others working in the field at the Open University, additional questions were added to the survey to determine the degree to which NGOs may be programme driven in their international development.

4.2.8 How Ohmae's stages were operationalised for NGOs

Proposition 2 states: "That NGOs follow a similar route to that set out in the stages theory of the international development of firms by Kenichi Ohmae."

The variables for this proposition were derived from the stages set out by Ohmae for businesses. These were recast in terms that could be applied to NGOs and that respondents would understand (see table 4.8 below). Added to these were stages that NGO's might go through that were not in Ohmae's list (see table 4.9 below). They were derived logically from the not-for-profit nature of NGOs. Respondents were asked to choose from this list of stages stating which applied to their NGO. Subsequently, they were asked to place this list in the order in which the company went through those stages, allowing for any regression to earlier stages or other non-linear progression, to allow comparison with Ohmae's stages (question15.3).

Table 4.8 Ohmae's stages and their NGO equivalents

Stage No	Ohmae's stage	NGO equivalent
1	Export via agents	Donations from overseas
2	Establishment of a sales subsidiary	Partner or branch established overseas
3	Establishment of foreign production	Local fundraising overseas
4	Complete insiderization	Overseas branches create own policy
5	True globalisation	Headquarters retains brand & policy matters

Table 4.9 NGO Additional Stages

	NGO additional items or stages
	Offices set up overseas to meet local needs or develop a programme
	Central unit set up to co-ordinate or develop a federation
	Funds sent overseas to meet a local need

The above list of NGO stages was set out in the questionnaire labelled A to I, and described in the following terms:

A "Supporters living overseas "

Because an NGO's funds come to the organisation from overseas sources for the first time like a firms having overseas customers.

B "Partner organisations developed overseas" or C, "Branches set up overseas"

Because in this stage an overseas unit has been established, for the first time, which represents the organisation’s interests in another country.

D "Local fundraising developed overseas"

Because in this stage the means of raising funds overseas is now in the hands of the overseas unit. The production of local fundraising materials being similar to the production of goods. Whether the NGO is a service provider, grant giver or campaigning organisation this stage is reached when their branches begin to develop local fundraising.

E "Overseas branches create own policy"

At this stage, for both firms and NGOs, the overseas unit(s) begins to set its own policies.

F "Headquarters regains brand and policy matters"

Here the firms or NGO headquarters main act is to control the image and key components of the organisations' policy globally.

To these, further stages were added to meet the special circumstances of NGOs, which were highlighted in the pilot study. These were:

G "Offices set up overseas to meet needs or develop a programme". This was where NGOs were not creating a branch or partner network and only meeting a temporary need, for example, in an emergency situation. Once established as a branch this is the same stage as stages B or C. This question was added to cover the temporary office situation mentioned in the pilot study.

H "A central unit set up to co-ordinate or develop a federation"

For NGOs a federation is a distinct form of organisational structure, and should therefore appear as well as the formation of branches or partners as an option for responders.

I "Funds sent overseas to meet a local need"

This is very much like saying that a firm expands overseas to increase profits, which is usually the underlying reason but not one of Ohmae's stages. Missing "meeting local needs" out for NGO might, however, have confused those answering the questionnaire as they might have looked for this as an NGO "stage".

In questioning those interviewed about the adaptation of Ohmae's stages into the steps taken by NGOs above, the respondents felt they were a reasonable substitute. This

assessment was arrived at in discussion with respondents viewing the original and adapted versions then commenting on their suitability from their own experience.

Items B and C can be thought of as the same for purposes of comparison. It does not matter if branches or partners are considered by way of comparison with a sales subsidiary so long as the overseas unit is open to local support and income. So B and C were merged in the analysis that follows. Item H adds a step not mentioned by Ohmae; whereby a set of NGOs working in different countries, but in the same field, becomes a Federation and are managed or supported by a federal headquarters. This happened, for example, with the various multiple sclerosis societies around the world who joined together and formed Multiple Sclerosis International, which became responsible for distributing research and managing policy.

The nearest firms' equivalent for this is possibly the merger or take-over of a set of firms in the same business in various countries. Within Ohmae's analysis this is not a distinct step, but is a possible way of achieving (or part of a strategy for achieving) stages two or three above or a way of expanding at stages four or five.

Items G, H & I were mentioned as activities in consultations, and therefore included so that NGO could note them separately if they wished to instead of possibly confusing them with other stages. Items G and I, however, are not true stages during internationalisation; as G is a temporary situation, and I is a phase which covers all the activities involved in funding programmes overseas rather than describing a distinct stage.

These variables (set out in chronological order) could then be compared with each other to see if NGOs have their own pattern(s) of stages in international development. Each set of stages was expressed as a list of letters taken from A to I (as above), which could then be compared to the other lists of letters. This creates one sequence of letters per NGO that can be compared with the others and Ohmae's, as well as comparing any chosen set of NGOs with Ohmae's or each other's order of development.

4.2.9 Calculating the Speed of International Development

This variable was operationalised by asking about the number of international branches the organisation had ten, five, three years ago and now (question 3). From this the rate of development i.e. the number of branches per year could be calculated. The extent of each organisation could also be calculated in terms of the number of their branches worldwide at any one time. From the first calculation a list was drawn up in rank order by speed of development. This list, divided into quartiles, was used in the analysis to compare the fastest and slowest quartiles in terms of the other variables. How these variables were measured is described below.

4.2 .10 The Questionnaire - Layout and Wording

The survey was designed to enhance rate, speed and quality of response by taking into account comments during the exploratory interviews and the pilot survey: which improved the wording of the questionnaire to make it more easily comprehensible to the recipients, and changing the order of the questions to improve the flow. Note was also taken of the

respondents stated desire to learn more about the practice of other NGOs by an indication that recipients were receive a copy of the essential finding of the survey – see page 124.

Speed of response was encouraged by the setting of a deadline, and the inclusion of an addressed and stamped return envelope. The speed of response was tested as part of the pilot survey and varied from two days to three weeks, with most questionnaires being completed within three days and returned on completion. Of the seven participants 5 returned their questionnaire in 2 days, 2 in one week and 1 three weeks later. There was no obvious link to such factors as distance or type of organisation or title of individual. Two of the three that returned the questionnaire later than the others mentioned personal workload. The relatively quick response of most of the pilot participants, compared to the main bold of questionnaire responses, may have been due to personal acquaintance with the researcher.

The quality of response was encouraged by the selection of knowledgeable respondents after the testing of the exploratory interviews and pilot survey; by the clear and logical layout and design of the questionnaire, and by taking into account the various comments of the interviewees – see page 124.

The design was based on the guidelines established by Czaja and Blair (1996, p90) as follows:

1. Limiting instruments to six to eight pages.
2. Pre-code response categories by assigning a number to each possible answer for the

respondent to circle.

3. Space the categories so that it is easy to circle one response without touching an adjoining one; arrange the categories vertically, one under the other, rather than horizontally spread across the page.
4. Provide simple instructions of no more than two sentences describing how to answer questions - for example; "Please circle the number of your answer unless otherwise instructed."
5. Use a different typeface for questions, response categories, and transitions or section headings.
6. Whenever possible, use arrows to indicate skip instructions.

Apart from the arrows mentioned in the last recommendation, these guidelines were followed as far as possible. The questionnaire was A4 double-sided with clear script and adequate room in which to answer open ended questions over seven sheets. A covering letter explained the origins of the questionnaire, its importance and why, and by when, the reader should respond. It was designed to look easy to understand and complete, although there were a number of open-ended questions.

The wording was carefully tested for understanding with potential subjects in the exploratory research and again in more detail in the pilot. As far as possible this was in non-technical language. The pilot study showed that it took about one hour to fill out.

Czaja and Blair (1996, p85) consider that though there is little research on the ordering or beginning of questionnaires they would advise to "...begin with the qualities of relevance, ease, interest, and available knowledge." Because most people who stop answering questions do so early in the process, they also advise that ease of answering the first questions should be followed by a logical ordering of the subsequent questions leading through the questionnaire.

The whole questionnaire was set out in a logical path from the point of view of the respondent. This path followed the historical development of internationalisation in the organisation that the initial interviews had taken. The first questions centred on the international history of the organisation. The questionnaire then went into detail about the branches concerning the relationship to the parent body and their fundraising characteristics. This was followed by the influence of the drivers on development and the stages of that development.

Czar and Blair (1996, p79) state that a questionnaire must not only be on a topic of interest to the recipient but the study must also be important enough for them to devote their time and resources to it. They also go on to list the questions a potential respondent will ask:

- "1. What is the study about?
2. Who is conducting it?
3. Who is the sponsor?
4. Why is the study important?
5. What will be done with the study results? "

And often:

"6. Why is the study pertinent to me?

7. Why was I chosen? "

Dillman (1978) adds that a confidentiality clause is important, and a phone number to ask any questions that may occur if the respondent has difficulty filling in the form. All these questions were either covered in the letter or in the introduction to the questionnaire.

Hussey & Hussey (1997, p162) state that:

" Presentation can do much to encourage and help respondents to complete the questionnaire correctly and it can also make the subsequent analysis of data much easier. The purpose of the questionnaire must be apparent, the respondents must know the context in which the questions are being posed. This can be achieved either by attaching a covering letter or in the opening paragraph."

A covering letter (see appendix 4) was used which set out the reason for the analysis and offered a précis of the results to the recipients. It highlighted the importance of the area of research, and its comparative lack of formal analysis despite its importance for international NGOs. Though quite personal it also described the institutional backing for the project and the context in which it was developed. The issue of confidentiality was also addressed so as not to inhibit response. The opening paragraphs of the questionnaire were then used for more practical instructions to ensure that the respondent fully understood how to complete the questionnaire.

4.2. 11 The Pilot Study

This was undertaken at the International Fundraising Workshop in Holland in October 1998. Eight executive directors or directors of international fundraising of some international NGOs were asked to complete the questionnaire (see appendix 2). The pilot survey came after the initial interviews in April 1998 had been used to develop the questionnaire, and made it a far more sophisticated tool.

The questions were discussed in detail with three of them. They suggested several changes in wording to accommodate the nature of their different organisations. These included:

1. adopting the category of "federation";
2. ensuring that organisations remained anonymous, otherwise the respondents would need to engage in extensive consultation within their organisations before answering the questions,
3. keeping the time needed to answer the questionnaire to no more than an hour,
4. choosing the right person in the organisation who would often be an "international fundraiser" or "development officer" or CEO,
5. defining the terms used (which varied greatly from organisation to organisation)
6. and keeping the questions as simple as possible to allow rapid answering.

4.2. 12 Reaching Non-responders

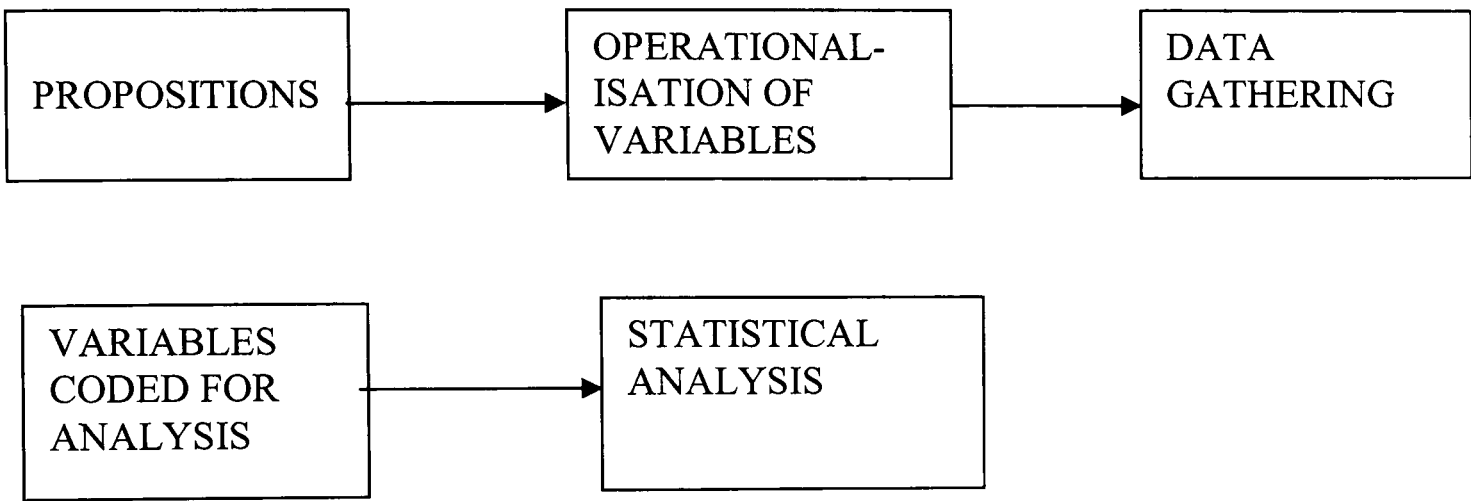
Sapsford and Jupp (1996) state that a positive effort must be made to reach non-responders but that responses over 80% are rarely possible. Increasing sample size does not solve this problem as the new answers whilst increasing total numbers may still exclude the same set of people. It is important to gain as much knowledge as possible about these people to find out if there is a common factor causing their non-response. Are they, at least, randomly distributed through the sample population?

Follow up methods include letters, sending another questionnaire, phone calls and post cards. Postcards are usual and it was felt that a post card follow-up plus phone calls would bring in a worthwhile amount of additional responses. This was undertaken on 8 August 1999 (the questionnaires went out on 26th June 1999). Sending out another questionnaire, the bulk of which was likely to go to addresses overseas, or attempting to find and use telephone numbers was felt to be expensive and time consuming; though, in the event, some numbers in the UK were phoned with limited effectiveness. Four questionnaires were returned following the postcards, one from an organisation that had been phoned and one NGO declined by returning the card. The main reason given for not returning the questionnaire was that the respondent felt it was not relevant to their organisation. See appendix 5 "non-response bias".

4.2. 13 The Route to Analysis

Figure 4.2 below sets out the route to analysis, largely described above, from the formation of the propositions to the statistical and case analysis, which are described in the following chapter.

Fig. 4.2 The Route to Analysis



4.2. 14 How the Responses were Analysed

In order to examine the perceived impact of individual drivers five different approaches were taken. These were:

- 1. to analyse the effect of individual drivers,
- 2. to analyse the effect on different types of NGO,
- 3. to analyse how drivers affect the rate of internationalisation,
- 4. to examine the effect of the most influential drivers
- 5. and to analyse the reported internal and external drivers (from questions 5 and 12).

In order to examine the impact of individual drivers the mean for each driver was calculated. The mean, however, had considerable variations between NGOs and so the distribution of responses was also considered. This was the number of NGOs which responded to each level of influence of each driver. For each block of drivers (economic,

political, competition, marketing, technology, social and general) a chart of the distribution and means was constructed. See Chapter 5, tables 5.1- 5.7. The way the measures were coded is detailed in Appendix 3.

To examine if different types of NGO were influenced more strongly by certain drivers, the NGOs were grouped together according to their method of operation i.e. campaigning, grant making, federation and service providers. The self-descriptions from question 14 were used to form these groups. The drivers were first considered individually then in their blocks (as above). The means were listed as before and boxplots used to compare the means. An analysis of variance (ANOVA) was used to see if there was a difference between these types of NGO. This analysis was done for both individual drivers and for the drivers grouped in their blocks. The whole exercise was repeated dividing the NGOs into new categories i.e. development, campaigning, church, medical, child welfare, advice and general aid. See table 5.8.

To examine how the blocks of drivers affect the rate of internationalisation a group of the fastest NGOs was compared to a group of the slowest. The rate of internationalisation was first calculated for each NGO for which there was a date for the formation of the first branch, as mentioned above, which gave a list of 44 NGOs about which there was appropriate data. These were then divided into quartiles and the top and bottom quartiles were compared again using the mean, boxplots and ANOVA. To see if the effect was stronger during the past few years, as globalisation itself has developed, this exercise was repeated using only the information from the past three years. See tables 5.9-5.13.

To see if the more recently internationalising NGOs had a different pattern, the list of NGOs was divided into decades i.e. those whose first branch was created in the 1940s, 50s, 60s, 70s or 80s. The resulting patterns were then compared in the same way as those above and the differences noted. See tables 5.14 and 5.15.

To investigate the effect of individual drivers the mean for the fastest and slowest quartiles was compared using ANOVA. See tables 5.16-5.22.

As neither the blocks nor individual drivers showed a marked difference in the fastest or slowest categories and because not all the NGO responses were considered, the list of NGOs (in order of their rate of internationalising) were divided in half and the halves compared. This, however, made no practical difference to the result.

The above analysis had showed that some individual drivers appeared to be more influential than others. To examine this further the distribution of each NGO scoring a driver 4 or 5 (of high or very high influence) was considered. Though each driver was considered in turn the drivers were drawn up in their blocks for ease of comparison. This clearly showed the comparative strength of a limited number of drivers. See tables 5.23-5.29.

To examine the additional information about the causes of NGO internationalisation from questions 5 (which asked for a listing of the key steps taken) and question 12 (which asked

for the most important external events to influence internationalisation), the responses were grouped into the categories of drivers mentioned. Then the number of NGOs mentioning that driver was listed and the percentage of NGOs citing that driver. This gave some additional drivers which were either preconditions without which internationalisation was unlikely (such as the availability of funds or appropriate partners) or enablers which made the process easier (such as the formation of internal policies for international expansion or drive by the leadership). Though these drivers were treated as variables they could not be analysed in the same way as Yip's drivers being only of rank order. See table 5.30.

The answers to the stages variable (question 15) were in the form of a series of lists (of letters) indicating the stages of international development for each organisation and the order in which they were reached. These lists were then compared to see if they formed a cluster or clusters of NGOs that have followed the same routes and could be compared to Ohmae's stages. A typical route could also be calculated and checked against Ohmae's stages by using simple comparison e.g. 80% of NGOs use 4 out of the 5 stages. The routes taken by NGOs, as laid out in the lists, were also considered to see how far NGOs had moved along the stages, whether they had missed stages, returned to earlier stages and how typical any of this behaviour may have been. See Chapter 6, table 6.2

In order to examine if there is a difference in the speed of internationalisation of those organisations which raise funds locally and those funded by the centre, those internationalising fastest were compared to those internationalising slowest. The fastest and slowest quartiles were again used, and for each NGO the percentage of its income

raised locally and from the centre was listed. The NGOs were then compared to see if those internationalising faster had raised a greater proportion of their funds locally than the slowest. See Chapter 7, tables 7.1 and 7.2.

To deepen the picture and examine the pattern of resources available to branches, the fastest and slowest quartiles were again compared. This time the types of fundraising training were compared. A similar exercise was undertaken for financial help. A further comparison was made regarding the percentage of the centre's turnover invested in branches, organisational development and programme work. See tables 7.4 - 7.6.

To examine if there were differences in how the initial and later branches were financed, the fastest and slowest quartiles were again used. The responses indicated if finance from the centre was available, or not, for the first and current branches. This was analysed by considering if financial help was indicative of the likelihood of being in the fastest quartile and considering if there were changes in the current pattern of financing. See table 7.7.

The way the measures were coded is detailed in Appendix 3.

The analysis was limited by the sample size. When analysing some sub-sets it was not possible to use some statistical tools due to the sub-sets small size. It was also limited by looking principally at pre-determined drivers, though others emerged in answers to the open-ended questions.

4.3 Case Study Research Design

4.3.1 Why case studies

Case studies were chosen because they gave a chance to explore lines of enquiry, giving a more detailed view over time about the processes and dynamics of NGO internationalisation, such as the effect and balance of internal and external drivers on the process of internationalisation, which would not have been possible through a new questionnaire.

Given the time constraints it was decided to carry out four case studies. One question asked in the analysis of the first proposition was whether those NGOs that had internationalised fastest (the top quartile) were more influenced by certain drivers than those who had internationalised slowest (the bottom quartile). This division was also used in the analysis of the third proposition and was therefore a key division to reflect in any case studies to be carried out.

"A common complaint about case studies is that it is difficult to generalize from one case to another. Thus analysts fall into the trap of trying to select a "representative" case or set of cases. Yet no set of cases, no matter how large is likely to deal satisfactorily with the complaint."

Yin (1994 p.37)

Bearing this in mind, it was decided to take two case studies from the fastest quartile and two from the slowest. Though this lowered the chance of hitting on a very unusual or extreme case, rather than trying to be representative, the cases were chosen to explore important variations. The cases could then be compared with each other as well as across the slow fast divide.

The four organisations that comprise the case study (two who are slow at internationalisation and two who are fast) are the Karuna Trust and Africa Now (both slow) and Leonard Cheshire and IPPF (both fast).

Table 4.10 The Case Studies Differentiated

FAST	SLOW	COMMENTS
	Karuna Trust	Founded 1980. Buddhist organisation working on development in India.
	Africa Now	Founded 1982. Development organisation working in Kenya and Zimbabwe.
Leonard Cheshire		Founded 1948. Organisation for disabled people with partners worldwide.
International Planned Parenthood (IPPF)		Founded 1952. Federation of national family planning organisations.

The unit of analysis is the organisation not the individual. Though interviews are one of the key aspects of the case studies it is accepted they are likely to give the individual's perceptions about the organisation rather than (or as well as) unbiased details about the case. Confirmation from documents and other sources to back-up or complement the interviews is therefore important. These sources included reports, plans, documents on organisational history, books, strategy documents and annual reports and accounts.

Those interviewed were the people who had the most thorough knowledge of their organisations' history, often because they had been there for several years and were in senior positions, and the only two people who might have been useful to supplement the interviews were unavailable. These were the director of Karuna who was in India for an extended period, and the founder of Africa Now who was not willing to be interviewed.

The method envisaged and eventually used consisted of semi-structured interviews. The interviews were held, where possible, with those who responded to the questionnaire to elicit more information about the processes involved in their organisation's internationalisation.

4.3.2 The Questions and Data Collection

The questions centred on the “how” and “why” of the NGO’s internationalisation. The answer to this was usually a narrative with certain significant junctures. Many of which were recorded in the organisations literature.

The interviews were semi-structured. A list of questions was asked in turn to ensure the areas of interest were covered, however time was also taken to explore relevant concepts that came out during the interviews.

The data collected was in general the interviewees answers to the direct questions, but also the corroborative data from written sources as mentioned above e.g. minutes of trustees meeting, memos and reports, as well as annual reports and accounts.

The interviewee was the most senior person possible to interview with responsibility for international development. It was kept in mind that length of service may be a limiting factor here. It was sometimes better to interview someone with a long history of involvement with international development who is at a lower level than say, a CEO who has only just come into post e.g. with the Karuna Trust where the interview was with their

head of fundraising rather than the Director. With both Karuna and Africa Now the organisations were so small there was no one else with the breadth of knowledge or time with the organisation to answer the questions. With Leonard Cheshire and IPPF the interviewee was the key individual in the area of international development, both of whom had been with their respective organisations for a considerable time. No one else had their level of knowledge.

The interviewee was also asked, “Who else should I talk to?” because there may have been another person in the organisation who knew more than the interviewee or who has a specialist knowledge not available to the interviewee. In practice this did not happen. The interviewees were asked to prepare in advance and given time to collect and collate the information requested.

Data collected:

1. Answers to verbal questions (and any written responses).
2. Minutes of board meetings.
3. Reports to boards.
4. Relevant Annual Report and Accounts.
5. Other relevant documents e.g. strategy papers.

4.3.3 Composing the Case Study report

There are no separate chapters or sections devoted to individual cases. Rather, the entire report consists of cross-sectional analysis. This is similar to the fourth and last type of

written product discussed by Yin (1994, p135). This type applies to multiple case studies only.

Each section considers a cross-case issue based on the three propositions in a matrix structure. The first looks at the effect of drivers in each organisation. The differences in fast and slow NGOs, and between the pairs (fast and slow) is drawn out. The second looks at the stages of internationalisation. The third looks at local fundraising, training etc.

Supplementary information, as relevant, is placed in appendixes at the end. Background information on each NGO is placed at the start. The conclusions are then set out against the earlier findings from the questionnaire (see chapter 5) to examine the contrasting light they shed on the questions above. This is laid out proposition by proposition.

4.3.4 Case Study Interviews

The interviews were arranged in February taking place through to the end of April. The interviews were not held in parallel, but in sequence with enough time in between to assimilate the information provided and to explore emerging ideas or themes that arose in one case study in the next. Writing up the interviews and taking information from corroborating sources took place from March to May.

During the interviews it became apparent that the organisations often had a commonality of experience in certain aspects of their international development. For example, Africa Now and Leonard Cheshire and to a lesser extent Karuna had leaders who championed the

first international steps (Karuna had more than one such significant individual). The literature was then checked for any supporting reference to these themes.

In practical terms, the interviews were tape-recorded and contemporary notes were taken. The recordings were used to check and supplement the notes. Other documentation was requested and this provided a means of checking factual aspects of the interview accounts. Both Karuna and Africa Now were asked for, and provided, supplementary information. Karuna did this by phone and Africa Now in writing.

4.3.5 The Case Descriptions

The Karuna Trust interview was with Johnathon Clark, Director of Fundraising. The Karuna Trust, one of the two smaller, slow-growing organisations, began life as Aid for India in 1980. The Karuna Annual Report for 1997-98 states that, “Karuna is an ancient Indian word meaning compassion. In the Buddhist tradition karuna is the active, spontaneous response of wisdom when it encounters suffering in the world.” Karuna's programme includes educational, health and cultural projects. Though Karuna has not looked outside India to establish new projects, its activities in India (which is a sub-continent) are, for all practical purposes, the same as the international development of organisations, which covers several countries but perhaps in a smaller geographical area.

Help was originally delivered through the recruitment of a team of local health workers. Later it was realised that services including education were not being accessed by the former untouchables, often because of their status. One key project was the establishment

of a kindergarten which issued educational certificates. These were accepted by government schools in lieu of birth certificates. The idea then spread to many other districts.

Soon after, Karuna began to establish hostels for high school students to enable them to access government provided education. Poor rural children as well as those from the slums attended these hostels. The hostels also provided cultural activities. By 2000 Karuna contributed to 18 hostels and supported projects in 8 of the Indian States. The Karuna Trust also funds a large variety of projects run by a number of Indian partner organisations. These reflect the changes in India over the 20 years since the Trust was established.

The Africa Now interview was conducted with Patricia Morland the Director. Africa Now, the second of the smaller, slow-growing organisations, is operational in Kenya and Zimbabwe. They have branch offices in both countries and work through local "partners". There are 10 staff members.

Africa Now helps disadvantaged and unskilled communities towards self-sufficiency by providing grants and low-interest loans to small-scale self-help economic and technological and agricultural projects. Projects are expected to be self-sufficient in 3-5 years and to be replicated elsewhere. Over a twenty-year period, Africa Now worked in Kenya, Egypt, Uganda, Tanzania, Zimbabwe, The Gambia and Swaziland. They are currently focussing on work in Kenya and Zimbabwe having just withdrawn from the Gambia.

The Leonard Cheshire International (LCI) interview was with Mark Kelly the International Development Officer. Leonard Cheshire founded the organisation in 1948 in the UK. LCI, one of the two larger faster-growing organisations, currently supports over 240 services for disabled people in over 50 countries. Originally developed from Leonard Cheshire's personal concern for a man dying of cancer, it evolved into an organisation helping disabled people with a strong ethos of the disabled taking care of their own lives as far as possible. The Cheshire Trust was formed in 1952.

There are currently nine geographical regions. Regional Councils are made up of representatives of the countries where there are services within the region. There are currently five Regional Councils, which have a communication and co-ordinating role rather than a management role.

Leonard Cheshire died in 1992. In 1994 a "Common Charter" for all the Homes was set up. This was for the UK as well as overseas and emphasised the role of disabled people in running the homes and making decisions affecting their lives. There is now an "International Standards Guideline" document (1999), which further strengthens the identity of the organisation internationally.

The International Planned Parenthood Foundation (IPPF) interview was with Dr M Busidi, Director Resource and Programme Development, IPPF. Founded in 1952 IPPF, the second large, fast-growing NGO is a federation of national family planning organisations. It has

member organisations in 152 countries. IPPF works to improve sexual and reproductive health worldwide. It began in 1952 when a meeting of 8 national family planning associations (FPAs), meeting in Bombay, at the Third International Planned Parenthood Conference, decided to form a federation. These included India, Netherlands, Singapore, Hong Kong, Sweden, West Germany, UK and US. This was followed by a meeting in Stockholm in 1953, which then ratified the establishment of the Federation in the UK.

In 1954 the first four regional offices were established. In the early years FPAs spread rapidly in Europe and South East Asia. At this stage individuals or groups sought help in setting up associations or asked to join the Federation. In 1957 the first grants were made by the Governing Body. In 1962 the UN General Assembly reaffirmed the relationship between population and economic development. In 1964 IPPF was granted consultative status by the UN Economic and Social Council. In the 1960s the US assisted with this development “thinking that family planning would prevent social revolution” (Dr Busidi). The UN also established a trust fund for work in the population field and the US authorised foreign aid funds for family planning. In 1968 USAID gave \$3.5m to IPPF. In 1971 Africa Region came into being and the Middle East and North Africa Region were established. In 1981 the secretariat was re-organised with the Regional Directors for Europe, Indian Ocean and Middle East and North African Regions transferred to the International Office in London.

Today, there are in-country family planning associations in 152 countries and over 180 governments have a family planning or population policy. The associations are grouped

into six regions. Each region has a Regional Council elected from the national associations and IPPF itself has a governing body (the Governing Council) with five representatives from each of the six Regional Councils. These five individuals must be two women, two men and one person under 25 years of age. The Governing Council sets policy and decides resource allocation. IPPF forms the Unified Secretariat, which manages the movement.

The quotations that follow in chapters 5, 6 & 7 all come from the above individuals in the context of the discussions about their own organisations; and were given at the interviews or in follow up discussions. These chapters examine the analysis undertaken using the variables and their measures outlined above.

4.4 Summary and Conclusions

The choice of methodology was determined by the propositions and the practical considerations surrounding the research. A postal survey was chosen due to considerations of time to complete the questionnaire (the pilot study showed that it took about an hour), easy access to records (many respondents needed to check answers with records or with others in their organisation), and cost.

The pilot study was invaluable in adapting Yip and Ohmae's themes from the language of business to that of NGOs. This made the questions relevant and comprehensible in the NGO context.

The exploratory research determined how much detail individuals could recall and were willing to divulge. It also helped to ascertain if there was a common language and who within the organisation was best to approach (international development officers being much more forthcoming than CEOs). The ordering of the questionnaire grew out of these early discussions as it became clear the respondents thought about their development in a linear fashion; talking through its history rather than answering individual questions about stages, drivers or fundraising.

Identifying the population of organisations under study was the most difficult part of the exercise. There is no one directory of international NGOs that have set up branches or partnerships overseas in a way that equates with the process of foreign direct investment of companies (FDI) of firms. Choices from the lists mailed had to be made with less than perfect knowledge, often estimating from a short description of the NGO just how it was structured overseas.

The response rate for the UK and Europe was much higher than for the USA possibly due to a lack of clarity about the nature of the organisations in the lists. Several of the responses indicated that some NGOs mailed were development NGOs without overseas branches or partners. This was frequently the case for US NGOs. See appendix 6 on non-return bias. Operationalising the propositions was made easier by the early discussions and the high percentage of returns to the pilot questionnaire with their attendant comments.

The four case studies, two from fast developing NGOs and two from slow, involved semi-structured interviews with key individuals and it was fortunate that these were available, though two people who may have been able to develop themes were not able or willing to be approached. The contemporary recordings and notes were supplemented by a range of additional documentation, some supplied at the time and some requested later.

The case studies helped to provide answers to questions raised by the analysis of the survey data and to build a more complete picture of the management of the process of NGO internationalisation.

The following three chapters detail the analysis of the response to both the survey and the case study interviews. Chapter 5 looks at the responses related to the driving forces of internationalisation, and Chapter 6 looks at the responses regarding stages. The conclusions are set out in Chapter 7.

CHAPTER 5

Proposition I: Analysis of the Affect of the Drivers on NGOs

5.1 Introduction

The analysis section of this thesis is divided into three chapters. This chapter looks at the first proposition, Chapter 6 the second and Chapter 7 the third. Each deals first with the analysis of the survey and then with the relevant case study analysis. Each concludes with a summary combining the two sets of analysis.

The first proposition states that Yip's globalisation "drivers" in the external environment influence NGOs in their internationalisation.

These "drivers" are grouped into a set of blocks containing varying numbers of individual drivers. The blocks are labelled economic drivers, political drivers, competition drivers, marketing drivers, technology drivers, social drivers and general globalisation drivers.

In summary, as the analysis suggests below, the blocks of drivers taken together do not in general have a very strong influence, though individual drivers do strongly influence certain organisations in their internationalisation. Programme work overseas i.e. "the need" is reported to be the most important individual driver for NGOs. Its relationship to "profit" for companies is discussed later. From a combination of the case studies, analysis of the major steps, key changes in NGO development and analysis of the most important external factors suggested by the survey respondents, the picture of a constellation of

internal and external drivers emerges. As well as "need" these include the ability to attract funds, effective internal policies, political and social changes and sometimes the influence of a key figure in the organisation. How much these factors act as drivers and how much as enablers is uncertain (the term enablers is used here to indicate those elements which, whilst not actually pushing organisations to develop overseas, make the process much easier to manage and therefore more likely to take place). There is some limited empirical evidence for these findings, about the constellation of drivers, which further research could augment.

This chapter is divided into nine main sections to accommodate the range of analyses, which were needed to uncover the sometimes subtle relationships between individual drivers and NGOs. The next section examines the perceived influence of each block of drivers in turn; looking at their overall influence by way of the mean response and then of the individual drivers that compose that block.

This leads into Section 5.3 which extends the analysis by examining the perceived influence of drivers on different types of NGOs.

Section 5.4 explores whether the drivers affect the rate of internationalisation (which is taken as the number of overseas branches an NGO forms per year). This was done by ranking the NGOs in order of speed of internationalisation and comparing the drivers influencing the fastest and slowest quartiles. The strength of influence of the two sets of drivers was compared using analysis of variance to highlight any pattern of influence not

previously apparent.

Section 5.5 looks at the most influential drivers (those recorded as of high or very high influence on NGOs). This will show that certain drivers influence a high percentage of the NGOs surveyed.

To broaden the above analysis the results from the open ended survey questions on major steps and external factors in international development were used to look for other possible influences or driving factors on NGO internationalisation. This analysis forms Section 5.7.

Case study data from the history of four organisations is then used to amplify and enrich the findings. Two of the organisations are slow-growing, relatively-small organisations and by way of contrast two much larger, fast-internationalising organisations.

It became clear that one key individual driver was the perceived need for the service provided and, as this could be equated with a companies drive for profits, in that they could both be said to be the organisation's main *raison d'être*, that relationship was examined before the conclusions which end the chapter.

5.2 The Drivers

This section examines the perceived influence of the various drivers on the internationalisation of NGOs. Each block of drivers is examined in turn and within that block the influence of each individual driver is compared to the others.

5.2.1 Economic drivers

The perceived influence of the economic drivers is examined below. Table 5.1 shows the aggregate results of individual NGO's ratings of the degree of influence for the economic drivers, such as the economies of scale for fundraising and the lowering of costs for campaigning during internationalisation. A five point Likert scale was used with 1 for negligible influence, 2 for low influence, 3 for medium influence, 4 for high influence and 5 for very high influence. The same scale was used for each driver mentioned below.

The use of Likert type scales in the questionnaire to give a measure of attitude provides a scale i.e. negligible influence, low influence, medium influence, high influence and very high influence. Hussey and Hussey (1997 p.150) state that "If properly constructed, measure of attitudes may also have interval properties. However, precision in interval scales is limited..." Interval scales give a degree of difference between the individual items, which enables the mean, which is the arithmetic average to be calculated. However, because of the lack of precision the value of using the mean there are limitations in the way it can be used. In a similar way, Erikson and Nosanchuk (1992 p.160) state, "Fortunately pragmatic investigations have shown that ordinal data can be treated like interval data pretty safely if the data have a fairly smooth distribution, N is fairly large and the test is robust." Spasford and Jupp (1996 p.159) state, "Data from tests will generally be

expressed as numbers on an interval or ratio scale – ‘real’ numbers with which you can do arithmetic and calculate means.” They also state (p.228), “Most researchers, however, take a pragmatic view and continue with the practice of treating ratings and psychological data as interval data.”

Table 5.1 The perceived influence of the economic drivers

	1 Negligible influence	2	3 Medium influence	4	5 Very high influence	No of NGOs replying	Mean
Economies of scale for fundraising	25	4	3	1	0	33	1.4
Lower costs for campaigning	23	1	5	1	1	31	1.6
Lower costs for programmes	21	1	5	0	1	28	1.9
Lower costs of labour overseas	23	2	7	0	0	32	1.0
Increasing costs of developing new fundraising / campaigning	20	1	11	0	0	32	1.7
Other cost consideration	8	0	1	1	1	11	2.1
TOTAL	120	9	32	3	3	167	
Overall mean							1.6

The overall mean for the block of economic drivers in table 5.1 is 1.6, which indicates that overall economic drivers have little influence and no individual driver stands out as having

much greater influence. There is only one organisation for which "economies of scale in fundraising" was of high influence and none found it of very high influence. Similarly, there was only one organisation for which "lower costs for campaigning work" was of high influence and only one for which it was of very high influence. "Lower costs for programme work" was of high influence for no organisation though for one it was of very high influence; whilst "lower costs of labour overseas" and "increasing costs of developing new fundraising/campaigning programmes" were not of high or very influence for any organisations. "Other cost considerations" in common with all the other "Other" categories below had a relatively small number of NGOs replying, possibly because the respondent needed to write in any additional factors, and most would have been covered by the drivers above, though inertia by the respondent may also have played a part. There was no "not applicable" category, which may explain the variation in numbers responding to each driver.

About a quarter of the scores were, however, given to medium influence or more; suggesting that, whilst economic drivers may not be the key drivers, they are certainly of influence to a minority of the NGOs surveyed.

There was only one organisation which repeatedly scored these variables at high influence. This was the Multiple Sclerosis Society (MSS), which is a federation of branches from many countries. MSS International provides services for its branches such as centralising and co-ordinating health campaigns so lowering overall costs, as well as sharing and directing scientific research to facilitate information flow and lower costs. According to

their director, it was this rationale that led to its creation and the development of increasing numbers of branches, because this was more cost effective than having stand-alone national organisations. It would require further research to learn if MSS was unique or typical among federations; though of the other federations responding to this survey only IPPF gave a medium score to these drivers, the others gave them a less than medium rating.

That NGOs might find it cheaper to operate overseas may not carry as much significance for them as a company's ability to lower its costs of production or services and therefore compete more effectively in the market place. This is because a key NGO driver is the need they seek to meet (see analysis below). Competition in the form of other NGOs offering services etc in the same area only makes their task easier and they rarely need to lower costs to compete (see case study analysis). Though, of course, it is in their interest to keep delivery as efficient as possible whilst remaining effective in meeting needs.

5.2.2 Political drivers

The analysis below examines the perceived influence of the political drivers on NGOs. Table 5.2 shows how NGOs rated the influence of the political drivers such as the lowering of trade barriers or the creation of trading blocks.

Table 5.2 The Perceived Influence of the Political Drivers

	1 Negligible influence	2	3 Medium influence	4	5 Very high influence	No of NGOs replying	Mean
Lowering of trade barriers	26	6	1	1	2	36	1.5
Creation of trading blocks	25	6	3	0	1	35	1.4
Decline in the social role of governments	7	4	13	8	4	36	3.0
Opening up of Eastern Europe	18	2	6	7	4	37	2.4
Democracy in South America	23	3	4	2	2	34	1.7
Growth of East Asia economies	21	6	6	3	0	36	1.7
Growth of inter- govern- mental bodies	12	8	6	6	1	33	2.3
Other political drivers	4	0	0	2	1	7	2.4
TOTAL	136	35	39	29	15	254	
Overall Mean							2.0

The overall mean score for the influence of political drivers in table 5.2 is 2.0, approximately midway between negligible and medium influence. Only in the decline of

the social role of governments (which would tend to create more needs for NGOs to meet) is rated of medium influence.

Though 136 out of 254 scores (i.e. 53%) indicate negligible influence, one third of the NGOs (which replied to those questions) give both the decline in the social role of government and the opening up of Eastern Europe a score of high or very high influence.

SightSavers, Hamlet Trust, Aga Khan Foundation and Motivation all cite the decline in the social role of government as having a very high influence. The Bible Society, Minority Rights Group, UKJ AID (countries include Bosnia and Kosova), Hamlet Trust (set up in 1989 to work on mental health in the former Soviet Union) all have the fall of the Berlin Wall as a very high influence. Each of the latter group of NGOs now works or has worked in Eastern Europe or the former Soviet Union. Several of these NGOs were banned from working in Eastern Europe until the events following the fall of the Berlin Wall. Amnesty International, for example, was not allowed to send missions to any state in the Union of Soviet Socialist Republics (Amnesty International, Annual Report, 1985-6).

Two forces that seem to be operating here are the meeting of needs, mentioned above, and what could be termed the "ability to operate". Obviously if there are physical, legal or other restraints that organisations cannot overcome they are obliged to avoid development into these areas even if there is a strong perceived need. "Ability to operate" may involve a series of primary conditions without which the drivers are ineffective and expansion into certain areas therefore barred.

5.2.3 Competition Drivers

The perceived influence of competition drivers on the internationalisation of NGOs is examined below. Table 5.3 shows how NGOs rated the influence of these drivers.

Table 5.3 The Perceived Influence of Competition Drivers

	1 Negligible influence	2	3 Medium influence	4	5 Very high influence	No of NGOs replying	Mean
Competing for funds internat'al	12	4	13	5	4	38	2.6
Competing for funds at home	11	2	18	5	3	40	2.7
Competitors international -ising	21	5	4	3	2	35	1.8
Ease of communica- tion links to overseas	9	4	12	8	5	38	2.9
Formation of global strategic partnerships	13	6	8	9	3	39	2.6
Competition for international recognition	17	4	4	5	1	31	2.0
Use of global media for campaigns	15	4	7	4	3	33	2.3
Other competition factors	5	0	0	0	0	5	2.5
TOTAL	93	29	66	39	21	248	
Overall Mean							2.5

In table 5.3 the overall mean for competition drivers (2.5) is about midway between negligible and medium influence. The "ease of linking to overseas branches or partners" has the highest mean at 2.9, which is close to medium influence. This is, however, more a communication factor than one of competition.

Some 40% i.e. 93 out of 248 responses were for negligible influence, but individual NGOs did not all follow this pattern. Interestingly, 34% of NGOs (13 out of 38) scored "ease of communication" at high or very high influence and 31% of NGOs scored "formation of global strategic partnerships" at high or very high. These are both very important variables for a minority of NGOs.

Although the majority of NGOs have a low score for these variables some variables appear much more influential than others in specific cases. War on Want scored three of these variables as very influential. Vet Aid, Minority Rights Group, UKJAID and TUIREG (Trade Union Research & Education) each score two of these variables as very influential. Each of the NGOs is a relatively small NGO with a distinctive stance or mission. They are likely to be competing for funds against much larger and better-known organisations both at home and internationally. Apart possibly from Vet Aid and UKJAID, they actively seek out partners with which to work and may be in competition for these partners with larger NGOs with greater funds to dispense and a higher profile with which to campaign.

The search for "global strategic partnerships" may be an influential factor for two reasons. Firstly, because these NGOs may be attempting to expand, through developing

international partners, in an endeavour to counter the scale of their competitors. Secondly, because these partners may provide additional resources they cannot develop on their own.

5.2.4 Marketing drivers

The perceived influence of the marketing drivers is examined below. Table 5.4 shows how many NGOs noted each degree of influence of these drivers.

Table 5.4 The Perceived Influence of the Marketing Drivers

	1 Negligible influence	2	3 Medium influe nce	4	5 Very high influence	No of NGOs replying	Mean
Prompts from overseas supporters	7	9	9	4	7	36	2.9
The existence of overseas funds	16	2	12	3	3	37	2.3
Fundraising opportunitie s	13	2	13	4	1	33	2.3
Need to be seen active overseas for legitimacy	11	5	6	3	5	30	2.5
Programme needs overseas	1	1	5	6	21	34	4.3
Marketing other	5	0	1	1	0	7	1.7
TOTAL	53	29	46	21	37	177	
Overall Mean							2.9

The overall mean of the marketing variables in table 5.8 is 2.9 and so of nearly medium influence. "Programme needs overseas" scores 4.3 and is therefore close to very high influence (0.7 away from 5.0). This is perhaps to be expected, as "meeting needs" is the *raison d'être* of NGOs in the same way as increasing profits may be for companies. That score does bring the mean up a position between negligible and medium influence where most marketing drivers lie. Though prompts from overseas supporters is very close indeed to medium influence.

If we exclude "programme needs overseas", which is untypical with 27 NGOs (out of the 34 which responded) recording high or very high influence, the other marketing drivers are still, in general, of medium influence. The ability to raise funds and to be seen to be active overseas are likely to be core needs of most organisations even if they are not the prime movers in internationalisation. Only one NGO, the Barbara Delano Foundation, a wildlife preservation organisation, gave "programme needs overseas" negligible influence. This was perhaps because with one full time official they fund according to their existing priorities rather than to demands from the field overseas.

This analysis would tend to support the view that NGOs are more driven to internationalise by 'needs' overseas (and requests from overseas supporters) than they are by fundraising opportunities. This is discussed more fully later, but with 94% of NGOs scoring this individual driver from medium to very high influence, it is generally the most significant driver. Meeting needs overseas obviously equates with the objectives of the international NGOs and this suggests that those objectives are actually driving the organisations to

internationalise rather than other factors, though these are also playing a part as this survey shows.

Twenty out of 36 NGOs (i.e. 56%) scored "prompts from overseas supporters" as from medium to very high influence. It may be that they are prompting international development because of perceived local needs that they wish to be met, though other factors such as the desire to develop their own organisations status etc could also play a part. This survey does not look at those factors. The need to be seen to be active overseas for 'political' reasons also scored highly with eight NGOs and nearly 50% scored it from medium to very high influence. This at least shows NGOs self-awareness as entities competing for attention. In part that attention is likely to concern funding. The two questions that dealt with fundraising ("existence of funds overseas" and "fundraising opportunities") received 49% and 54% of NGOs scoring from medium to very high influence, though in both these cases, two thirds of that score came from the medium influence band.

For a small minority of NGOs each of these factors is of very high influence showing that pressure on NGOs to internationalise is not uniform. This is not surprising as NGOs tend to be very varied organisations in their objectives, operations and organisation as the case studies illustrate. These "marketing" drivers may vary in their ability to push organisations overseas in relation to the degree to which those organisations are securely funded or to which they can access additional funds by internationalising. For example, if their experience is that international branches are self-sufficient then internationalisation will be

much cheaper than if they are expensive to maintain. For many NGOs it is likely, however, that their overseas branches in the developing world will require regular funding from the centre.

5.2.5 Technology Drivers

The perceived influence of the technology drivers is examined below. Table 5.5 gives the number of NGOs which score each of the five degrees of influence for such technological factors as the ability to exploit databases and the development of e-mail.

Table 5.5 The Perceived Influence of the Technological Drivers

	1 Negligible influence	2	3 Medium influence	4	5 Very high influence	No of NGOs replying	Mean
The ability to exploit databases	19	10	3	8	3	43	2.1
The development of e-mail	5	4	12	9	12	42	3.4
The ease of moving funds globally	12	12	8	4	3	37	2.3
The ease of international communicat -ion	3	4	14	9	11	41	3.5
The ease of transferring knowledge	5	3	10	13	10	41	3.5
The ease of international travel	5	9	9	13	6	42	3.1
Other technologica l factors	2	0	0	0	1	3	2.3
TOTAL	51	42	56	56	46	249	
Overall mean							3.0

Overall, the mean influence of technology drivers is 3.0 suggesting medium influence. The average for three individual drivers; the development of e-mail, the ease of international communication and of transferring knowledge are all of more than medium influence. It may be these technologies which help to facilitate international development. This process of facilitation is highlighted in the following case studies, where interviewees report that

such developments in technology have made the task of communicating with overseas colleagues much easier, despite problems with the reliability of such communication with some developing countries. This has made it easier for them to work with a wider range of countries and to pay fewer visits so saving staff time and money. In some cases technology is also assisting in knowledge transfer making it easier to deliver information to a large number of overseas branches or partners than it would be otherwise. All three technologies may therefore be helping the process of managing internationalisation as "facilitators" though they may not act as drivers of that process.

For a majority of NGOs, technology is of medium to very high influence and so plays a part in their internationalisation. For example, the transfer of knowledge is arguably at the heart of many NGO's overseas programmes and it is essential for their branches to keep up to date with issues particularly for campaigning organisations such as Greenpeace or Amnesty. This ease of transfer may then be an important factor in setting up new branches in other countries. Similarly, the process of management is helped by ease of transfer of written documents to supplement the telephone service (which along with the postal service is often poor in developing and newly developed countries).

In contrast the ability to exploit databases and transfer funds does not show the same degree of influence. Though, with scores of medium to very high from 35% and 40% of the NGOs respectively, these aspects of technology can also play a strong part in internationalisation for many organisations. This may indicate that the ease of keeping in touch in a 'shrinking' world fuels overseas development, but that the financial exploitation

of overseas branches may not be such a strong factor, because, as discussed earlier, NGOs tend to be 'needs' driven in internationalisation rather than by the lure of overseas income generation.

To talk of something as a driver indicates a push factor, which may not be the way technology works in this situation; but it does appear to facilitate the process of international development by acting as the lubricant or facilitator for the process. The term facilitator seems appropriate for any driver that performs this function. The "ease of international travel" too seems to fall into this category and 67% of respondents scored this from medium to high influence.

A large variation of organisational responses was also apparent here with between 17% and 22% of responses in each of the five possible categories. This may represent the degree to which new technology has been adopted by the HQ organisation and/or their overseas branches and partners. The level of adoption of technology at HQ level may be relatively low compared to other NGOs and / or both the level of adoption overseas and the ability of developing countries national telecommunications systems to offer reliable conduits may be low. Many parts of Nigeria, for example, suffer from periods of several hours per day when there is no electricity available. The differing nature of NGOs programme work may also make technology more or less useful. For example, a programme of digging wells may require specialists to travel overseas to supervise partner activity; but a programme of making available the results of research into disease may be possibly undertaken by e-mail to partner hospitals.

5.2.6 Social Drivers

The perceived influence of the social drivers on NGOs is examined below. Table 5.6 gives the number of NGOs reporting each of the five degrees of influence for social drivers in various regions of the world.

Table 5.6 The Perceived Influence of the Social Change Drivers.

	1 Negligible influence	2	3 Medium influence	4	5 Very high influence	No of NGOs replying	Mean
Social change in Asia	9	3	8	9	6	35	3.0
Social change in East Asia	12	4	6	4	4	30	2.4
Social change in North America	16	5	8	0	1	30	1.8
Social change in South America	12	6	5	6	3	32	2.4
Social change in Africa	6	4	7	9	9	35	3.3
Social change in East Europe	10	4	2	10	6	32	2.9
Social change in West Europe	10	11	6	2	4	33	2.4
Social change elsewhere	4	1	0	0	1	6	1.8
TOTAL	79	38	42	40	33	233	
Overall Mean							2.6

The overall mean response to the social change factors in table 5.11 is 2.6 indicating on average a slightly less than medium influence. In about 30% of the responses, however, this is given as a very (or quite) influential factor (if we include medium influence the percentage rises to about 50%). It is possible that many of these NGOs were set up specifically to cater for needs in certain parts of the world and that others have clustered their activities in regions where they already operate. As these regions went through periods of social change opportunities for expansion would have presented themselves; either because needs were increasing or the barriers to NGO entry to meet needs were lowered. It may be that these social changes created or increased the needs that were relevant to these NGOs.

In Asia (excluding East Asia), Africa and Eastern Europe close to half of the NGOs operating there put social change as very (or quite) high influence. This may reflect the fact that social change over the last few years has been rapid in those regions. It is worth noting that this is not a completely bi-polar distribution indicating that international NGOs do not necessarily group their activities in one or other region but have a spread of countries in which they operate. This may indicate that the forces which drive internationalisation do not do so on a regional basis and that the ability to operate internationally is perhaps often transferable from region to region - otherwise it is likely that NGO's work would be much more regionally orientated.

It is arguable that, social change in North America and much of Western Europe has been much slower (or at least less disruptive) than elsewhere, which is reflected in the

responses, though about 33% of NGOs still reported medium to very high influence of this factor. East Asia too has a lower score than the areas with rapid change, but the medium to very high scores are around 50% of NGOs.

Overall, about half of the NGO's which responded chose the medium to very high categories, indicating the strength of social change as a driver compared to the other blocks of drivers. These changes in society may be leading to the creation of need which NGOs seek to meet. Changes often involve winners or losers in the change process, and particularly in Eastern Europe and Africa many changes have created serious hardship. In South America social change over the past two decades is reported to have often led to democracy and increasing prosperity; though individual countries have apparently been through various stages, both positive and negative for their people, and there remains serious problems on a large scale in many South American countries. East Asia too is acknowledged to have in general been through a long period of increasing prosperity albeit with some notable set backs. It is an open question if the distance to East Asia and the lack of colonial links has lessened the response to need there from these NGOs.

5.2.7 Globalisation Drivers

The perceived influence of general globalisation drivers is examined below. Table 5.7 gives the number of NGOs reporting each of the five degrees of influence by drivers such as the convergence of global professions and the convergence of global lifestyles.

Table 5.7 The Perceived Influence of General Globalisation Drivers

	1 Negligible influence	2	3 Medium influence	4	5 Very high influence	No of NGOs replying	Mean
Convergence of global professions	30	5	5	1	0	41	1.4
Convergence of global lifestyles	23	5	9	2	1	40	1.8
Ease of producing standard fundraising products	25	6	6	3	1	41	1.8
Travel creating global donors and supporters	17	10	8	3	1	39	2.0
Organisat-ions becoming global customers / suppliers	12	10	8	6	2	41	2.4
Establish-ment of world brands	25	6	5	0	2	38	1.6
Development of global advertising	30	4	3	0	2	39	1.4
Effect of worldwide media	17	8	5	4	4	43	2.2
Other effects of globalisation	4	0	0	0	2	6	2.3
TOTAL	212	59	53	20	17	328	
Overall mean							1.8

The overall mean for general globalisation drivers in table 5.7 is 1.8 indicating that in general these are not strong drivers of overseas expansion. With some exceptions, it appears that this block of drivers have not opened up the income generating possibilities

that might have fuelled the international expansion of NGOs. For example, the professional class discussed by Theodore Levitt (1982), who demand the same branded products as their global peer group, may not yet be acting as global donors in sufficient numbers to influence NGOs.

To take the individual drivers in turn, 85% of NGOs found the "Convergence of global professions" of negligible or low priority and none of very high influence. It may be that this driver has no obvious push factor as it might for a commercial company who can see increasingly affluent professionals adopt similar consumer characteristics.

The "Convergence of global lifestyles" has about 30% of NGOs giving it a score of medium or above, perhaps because it is a broader term and therefore includes more people who might take part in international expansion or help the process. The possible internationalisation of the Western lifestyle that includes volunteering, donating and working for NGOs may have been behind the response. Again, this driver may be operating as an enabler like some of the technology drivers. The convergence of lifestyles may not push NGOs to internationalise in the same way that increased need overseas might but it could facilitate the process.

The "Ease of producing standard fundraising products" is of medium to very high influence to 25% of NGOs; but this minority includes some of the largest international organisations like UNICEF, whose greetings cards can be found with a little adaptation in a large number of countries. Amnesty has also experimented with material that has been

used, in translation, in dozens of countries. This is a substantial minority and it may be a stage of development that the larger NGOs reach, whereby they begin to test out their fundraising on a global scale looking both for economies of scale and new markets for fundraising products. As an example of the latter, Greenpeace has successfully exported its face-to-face street fundraising operation to many countries around the world raising funds for its local branches.

"Travel creating global donors and supporters" has some 28% of respondents scoring from medium to very influential. These respondents form a group often of the largest NGOs that appear to find the process of globalisation helpful to their own expansion (despite any doubts they may have about some of its effects on their potential beneficiaries). It would appear that global donors and supporters may be both drivers for internationalisation in the sense that they ask for such a process and enablers in that they may fund and staff that process as well. The existence of global donors may help to explain the success of some of the organisations mentioned above in developing the standard international fundraising products.

"Organisations becoming global customers and suppliers" has nearly 40% of NGOs finding it from medium to very highly influential. This reflects the degree of maturity of the internationalisation process. These NGOs have often set up regional or even worldwide partnerships and suppliers. For example, international aid agencies sometimes source some emergency supplies from one organisation to deliver worldwide. This driver is again

probably an enabler making internationalisation much easier, for these NGOs, than it would otherwise have been.

The last three factors may represent a stage of development that NGOs reach at some stage on their internationalisation when they have a presence in enough countries for global factors to have a noticeable impact on their fundraising, programme and resource supply chain.

"The establishment of worldwide brands" has, however, only two organisations that give it a very influential score and none that give it a score of 4. The same organisations give "the development of global advertising" a very influential score and of course this is linked to these organisations successful global advertising campaigns. These two organisations are UNICEF and the Trade Union International Research and Education Group (TUIREG). UNICEF is known for its worldwide programme reach and marketing of greeting cards, but TUIREG (which helps trade unions around the world to become established) is less well known. It may be that TUIREG uses the fact it is a trade union led organisation in its international branding. That is in advertising to raise support and in reaching its beneficiaries. This result runs counter to the previous findings discussed above and may reflect NGOs' lack of interest in paying to establish their brand worldwide, and may indicate that the global customers and suppliers mentioned above are not the well recognised brands that may be labelled worldwide brands.

"The effect of worldwide media" again has some 30% of NGOs scoring it from medium to very influential, though this may be because this includes news coverage which reveal problems and so push NGOs to deal with those problems; which is rather different to the last two drivers that require NGOs to either pay for worldwide advertising or have the influence to obtain pro bono work from advertising and marketing agencies.

Overall, the globalisation drivers were of negligible influence for some two thirds of the NGOs. For the others they were of medium to very high significance. Many of those reporting high or very high significance were the larger NGOs and this may represent a stage in the development of their internationalisation when they become affected by, and may be able to take advantage of, the wider process of globalisation.

5.2.8 Individual Drivers Analysis Summary

Taking the drivers roughly in order of influence using the mean scores for each block gives Technology (3.0), Marketing (2.9), Social (2.6), Competition (2.5), Political (2.0) and Economic (1.6).

Technology drivers, as a block, were of medium influence overall but "the use of e-mail", "ease of communication" and "the transfer of knowledge" all scored quite highly, adding to the list of "enablers" discussed above which facilitate NGO internationalisation. There was a more even response to these drivers than for other blocks of drivers, with a similar number of NGOs giving each of the five possible scores from negligible to very high influence.

Marketing drivers have the most influential single driver. Together they score medium influence; but "programme needs overseas", scores high or very influential with 94% of NGOs. Fulfilling needs may be the NGO's equivalent of a company seeking profits and this is further discussed later in this thesis. Around half the NGOs scored the "need to be seen to be active", "prompting from supporters overseas" and the two fundraising drivers "existence of funds overseas" and "fundraising opportunities" at over medium influence. For about half of the responding NGOs to suggest they need to be seen to be engaging in programme delivery and to be responsive to outside suggestions may indicate the importance for them of their profile and the influence of their supporters. The fundraising aspect of internationalisation is dealt with more fully in Chapter 7.

The block of social drivers again has a medium score overall, but a sizeable minority (30%) of NGOs score this block high or very influential. Individual drivers affect NGOs differently and it is clear that many NGOs (over 30%) find the developments in one region highly or very influential. Where social change actually creates need that may prove a very effective driver provided the "ability to operate" mentioned above exists. It seems, however, that the forces which drive internationalisation may not do so on a purely regional basis as many NGOs operate over several regions. It may be that the skills acquired operating in one region may be transferable to others (this point was acknowledged by two of the case study interviewees), which would help to explain the diversity of regions many NGO's operate in.

Some 40% of respondents scored competition drivers of negligible influence. However, about a third scored both "ease of communication" and "the formation of global partnership" as highly or very influential. Two or three organisations scored a few of these drivers very highly showing a minority which is highly affected by the competition drivers. These are often small NGOs competing against larger and better known organisations. "Ease of communication" may facilitate internationalisation as an "enabler" though "the formation of global partners" may act more like a pure driver pushing international development.

Political drivers scored quite low with only the "decline in the social role of government" being of medium influence. Some 35% scored this and "the opening up of Eastern Europe" as highly or very influential. So, for a minority of NGOs (such as those dedicated to working in Eastern Europe) some political drivers are very important. Political agreement may form a necessary condition without which programme work cannot take place. The "ability to operate" for NGOs may only be possible when a series of necessary conditions are met, at which time other drivers may become effective.

The globalisation drivers as a block are not very influential but 40% of NGOs score "organisations becoming global customers and suppliers" as medium to very influential. The possible enablers "travel creating global donors and supporters" and "the effect of worldwide media" both have about one third of NGOs scoring them medium to very influential. These relatively sophisticated considerations perhaps show some of the depth and intricacy of globalisation for NGOs.

In general, economic drivers as a block seem to have little influence. However, 25% of the responses scored these drivers as medium to very influential, and for a minority of NGOs they are quite important. No individual driver stands out, but MSS International that heads a federation of societies scored the economic drivers quite highly. This may be because part of its *raison d'être* as a federation headquarters is to be cost effective. Needs are likely to be met more by the individual country associations who have always had this as their priority, leaving the headquarters to ensure the movement as a whole is efficient and effective. For other NGOs, meeting need is very important by comparison with cost saving, which is likely to be higher on the list of corporate concerns.

5.3 The Influence of Drivers on Different Types of NGO

To consider the drivers influence across different types of NGO, they were grouped into blocks according to their method of operation. These were campaigning organisations such as Amnesty International, grant making organisations such as Oxfam, umbrella organisations such as Multiple Sclerosis International and service providers such as Medicines Sans Frontiers. The self descriptions from question 14 of the survey were used to form these groups (see table 5.8 below). The drivers were first considered individually then in their blocks.

5.3.1 Considering the Individual Drivers

The mean of each individual driver was listed for each group of NGOs. The means were then compared using boxplots to see if there was any clear differences, which the boxplots

would make apparent visually (see example, Appendix 7 'Boxplots'). Boxplots show, as a box shape, the portion of the distribution falling between the 25th and 75th percentiles. Vertical lines outside this box, known as whiskers, connect the largest and smallest values that are not extreme values or outliers. An outlier is a value more than one and a half box-lengths from the box, and an extreme value one more than three times the box-length away. The boxplots showed no extreme values or outliers, very similar medians and the boxes were of a similar size. Campaigning organisations had a smaller spread of values than the others, perhaps because they are predominantly global pressure groups with similar agendas albeit in different fields. This may mean they are affected by the same or similar drivers, whereas other groups of NGOs might contain a wider variety of organisations susceptible to differing influences.

An analysis of variance (ANOVA) was used to see if there were significant differences between the different types of NGOs. This showed that there was no significant variance between the different types of NGOs at the ($p < 0.05$) level.

Table 5.8 The Mean Influence of Blocks of Drivers on Different Types of NGO

	Econ- omic Drivers	Political Drivers	Com- petition drivers	Market- ing Drivers	Techno- logical Drivers	Social drivers	Global- isation Drivers
Camp- aining 13	1.7	1.9	2.6	2.7	3.1	2.7	1.5
Grant Making 16	2.1	2.0	2.8	2.8	3.1	2.5	1.5
Umb- rella 8	1.4	2.0	2.6	3.1	3.2	2.7	2.1
Service Provider 17	1.3	2.3	1.6	2.0	3.0	2.0	1.7

The numbers in the left-hand column show the number of NGOs in that grouping.

In table 5.8 "Umbrella" organisations are those headquarters of federations of local NGOs. This form is often taken by medical organisations. For example, there are many independent multiple sclerosis societies in countries around the world. These are grouped together as a federation under the guidance of Multiple Sclerosis International; which undertakes and shares medical research into multiple sclerosis, as well as developing potential members in additional countries.

5.3.2 Considering the Drivers Grouped into Blocks

The differences between these groups of NGOs were compared with boxplots using the original data (not the means given above). The boxplots showed no extreme values or outliers (beyond the 'whiskers'), very similar medians and the boxes were of a similar size. This brought out the similarity between these groups of NGOs. Again, campaigning

organisations had a smaller spread of values than the others, perhaps because they are predominantly global pressure groups with similar agendas albeit in different fields.

An analysis of variance (ANOVA) was used to see if there were significant differences between the different types of NGOs grouped in the above blocks. This showed that there was no significant variance between these blocks of NGOs ($p\ 0.913 > 0.05$). In undertaking this analysis the means for each individual driver were used rather than the means for each block which are quoted above.

5.3.3 Considering the Blocks of Drivers Separately

The drivers were then divided (as in table 5.8) into their separate blocks and an analysis done to see if blocks of drivers affected any of the groups of NGO more than the others. This was done using boxplots. In these boxplots a somewhat more complex picture emerged. The boxplots had some outliers and the pattern was not so uniform, though there was still only very slight differences between the groups. The numbers were too small for statistical tests of significance.

Campaigning and grant making organisations had no real distinguishing block of driver characteristics that set them apart from the others. Service NGOs were slightly more influenced by political drivers and usually slightly less influenced by other blocks. Umbrella organisations had the highest response to marketing and technological driver blocks perhaps because these blocks help to fuel the linking of diverse countries local organisations.

A similar exercise was carried out dividing the NGOs into Development, Campaigning, Church, Medical, Child Welfare, Advice and General Aid. These groupings were devised from the description of NGO activity in the sources used to compile the list of organisations to be surveyed. Using the same analysis as above gave no new substantive or additional information. Again the numbers were too small for statistical tests of significance.

5.4 How Drivers Affect the Rate of Internationalisation

5.4.1 The rate of internationalisation

For Yip, globalisation is more than internationalisation represented by operating in several countries. It was a specific type of strategy based on "global market participation", "global products and services", "global location of activities", "global marketing" and "global competitive moves". The rate of expansion into new markets under this strategy would be determined by global considerations (drawn from the strength of the drivers) rather than local advantage. As the drivers apply in greater strength to more and more countries, a global rather than international strategy is more and more important, Yip (1995)

If the drivers also apply to NGOs then those NGOs which are expanding fastest are likely to report stronger influence by the drivers than those NGOs whose rate of internationalisation is comparatively sluggish. Yip (1995) believes that each industry has a level of globalisation potential that is determined by these external drivers.

If the drivers affect the rate (or acceleration) of NGO expansion then they may also affect the extent or "level" of expansion, which can be calculated as the total number of branches or partners an NGO may have at any one time; bearing in mind that the number of branches will also depend on how long the NGO has been internationalising. For example, if an NGO is highly influenced by the drivers then it is likely to grow rapidly and so have an increasing number of branches and/or partners. If this surmise is true, then those NGOs who now have the largest number of branches should report more influence from the drivers per year than those with fewer branches. As the drivers are a comparatively new force, their development often being an integral part of globalisation, their influence should have been more visible when the survey was taken than in the early years of expansion when other factors may have been predominant.

To compare the fastest and slowest internationalising NGOs, the rate of internationalisation was first calculated for all NGOs surveyed. A group of the fastest was then compared to a group of the slowest. To have a sufficient number of NGOs suitable for meaningful comparison, the highest and lowest quartile were used. Forty-four NGOs gave this data, so there were 11 NGOs in each of the quartiles.

The rate of internationalisation has been calculated by taking the number of branches, formed since the first overseas branch/partnership was set up, and dividing by the number of years; to give a figure for the formation of branches per year for each NGO. The weakness of this method of calculating the rate of expansion is that, as any rate must be a figure over time, and NGO expansion to be measurable must go back a few years, it will

involve years when many of these drivers were in their infancy, and not as strong as they may now be. The rate of internationalisation, based on the most recent data in the survey, looks back some three years; but this data also suffers the weakness that it inevitably deals with smaller numbers than the data going back to the organisations' early years.

A similar calculation was made by Vermeulen and Barka (2002), working with companies, who divided the average number of foreign subsidiaries per year by the number of years since the firm's first expansion to give the speed of foreign expansion.

Some organisations were not in existence 10 years ago, but question 2 shows the date at which the first branch or partnership was formed overseas. The start dates of 47 organisations are known and 5 are missing. Of those 47, 3 do not have a start date for setting up their first branch. This leaves 44 organisations.

Of those 44 the fastest quartile (11 NGOs) are listed in table 5.9 below which shows the date the first branch was set up, the number of years from that date to the date of the survey (1999) and the number of branches in 1999. From that the rate of internationalisation was calculated, as described, in terms of branches formed per year.

Table 5.9 The Fastest Internationalising NGO

NGO	Date 1st branch started	Years to 1999	No of branches in 1999	Rate of international- isation per yr
France Liberté	86	13	600	46.15
Min Rights Group	96	3	45	15.00
Befrienders International	74	25	373	14.92
Wateraid	81	18	250	13.89
Christian Aid	46	53	600	11.32
Hamlet Trust	91	8	42	5.24
Cheshire Homes	55	44	230	5.23
IPPF	53	46	150	3.26
Caritas	50	49	150	3.06
UNICEF	46	53	161	3.04
SightSavers	50	49	130	2.65

France Liberté reorganised its structure a few years ago and now has a federation of fairly loosely associated organisations allowing it to expand rapidly. Similarly, Christian Aid's definition of partner organisations is quite wide giving it an unusually high number of partners.

The slowest quartile (11 NGOs) is shown in table 5.10 below, which gives the same data as table 5.9 above.

Table 5.10 The Slowest Internationalising NGOs

NGO	Date 1 st Branch started	Years to 1999	No of branches in 1999	Rate of internation- alisation per yr.
Karuna Trust	80	19	6	0.32
Tuireg	80	19	5	0.26
Global Health	90	9	2	0.22
Christ Intn'l	40	59	12	0.20
Africa Now	84	15	3	0.20
Interchild	83	16	3	0.19
Karl Kinder	87	12	2	0.17
India develop	85	14	2	0.14
Amref	57	42	4	0.10
Britsh – Tanzanian	73	26	1	0.04
Gordon Barclay	68	31	1	0.03

The spread of speeds amongst the slower expanding NGOs is much less than among the fastest growing group.

5.4.2 The Effect of the Blocks of Drivers on Rate of Expansion

This was considered by plotting the mean score of the top quartile of NGOs (see table 5.9 above) against blocks of drivers and producing a similar chart for the slowest quartile detailed in table 5.10. The NGOs are arranged in order of speed of internationalisation. The quickest are at the top of the chart. The two charts below are then drawn together in table 5.13 and the comparison analysed below.

Table 5.11 Fastest Internationalising NGOs

	Drivers						
NGO	Econ	Pol	Comp	Market	Tech	Soc	Global
France Liberté	1.0	3.3	3.0	2.8	2.8	3.7	2.4
MRG	1.2	1.6	3.0	4.0	2.3	3.3	1.2
Be-friend	1.0	2.4	2.9	4.6	2.8	3.1	2.1
Water-aid	1.0	1.7	2.3	1.8	2.2	1.7	1.3
Christ aid	2.2	3.1	2.9	2.6	3.7	2.9	1.6
Sight-savers	1.0	2.3	4.0	2.2	5.0	1.9	2.3
Hamlet	1.0	1.4	1.6	4.0	4.2	1.7	2.6
Chesh. Homes	1.0	1.1	1.1	2.6	1.3	1.0	1.1
IPPF	2.2	1.9	3.1	3.6	3.7	2.9	2.9
Caritas	1.4	1.7	1.9	1.8	3.5	5.0	1.0
Unicef	1.0	1.0	2.0	1.8	1.5	2.9	2.8
Mean	1.3	2.0	2.5	2.9	3.0	2.7	1.9

The fastest quartile of NGOs (see table 5.11 above) arranged in descending order (fastest at the top) showing their mean score against the seven blocks of drivers.

Table 5.12 Slowest Internationalising NGO

	Driver						
NGO	Econ	Pol	Comp	Market	Tech	Social	Global
Karuna	1.8	1.4	1.3	2.6	3.0	1.6	2.8
Tuireg	1.4	3.0	2.1	3.4	3.3	2.7	2.3
Global H	1.4	1.0	2.6	1.8	2.5	1.0	1.0
ChrisInt	2.2	3.0	2.3	3.0	3.5	3.3	2.6
AfriNow	1.4	1.4	2.6	3.0	2.0	1.6	1.0
IntChild	1.2	1.7	1.0	1.0	1.0	1.0	2.4
KarlKind	1.0	1.0	1.0	2.6	4.0	1.9	1.0
IndiaDev	1.0	1.4	1.9	1.4	2.2	1.4	1.2
Amref	1.0	1.6	3.0	1.8	3.0	2.1	1.7
Brit-Tanz	1.0	1.3	1.6	2.6	2.2	1.6	1.3
Gbarclay	1.2	1.4	2.0	3.0	1.8	1.6	1.7
Mean	1.3	1.7	2.0	2.4	2.7	1.9	1.7

In table 5.13 below the means from table 5.11 and 5.12 above are compared to see the effect the drivers may have on the rate of NGO internationalisation.

Table 5.13 Comparison Slowest and Fastest NGO by Driver

	Econ	Pol	Comp	Market	Tech	Soc	Global
Fastest	1.3	2.0	2.5	2.9	3.0	2.7	1.9
Slowest	1.3	1.7	2.0	2.4	2.7	1.9	1.7
Diff.	0.0	0.3	0.5	0.5	0.3	0.8	0.2

In table 5.13 the drivers do not seem to play an appreciable part in determining the rate of internationalisation of NGOs overall, though the fastest NGOs are slightly more affected in

every category except the economic drivers where they are the same. Individual drivers, however, may affect certain NGOs more than others as discussed earlier.

Boxplots of the above confirm the similarity with very few outliers. ANOVA was used to see if there were significant differences between the fastest and slowest NGOs based on the effects of the blocks of drivers. The analysis showed that there is no significant difference between the fastest and slowest groups (p-value $0.814 > 0.05$).

5.4.3 In the Last Three Years

The tables below take a shorter time period ie the last three years up to the survey. Comparing those NGOs who were gaining more than 5 new branches a year with those whose number of branches stayed the same. The means, set out below in tables 5.14 and 5.15, show that there is a similarity in the rate of internationalisation for the two sets of NGOs; indicating that whilst the drivers may, in recent years, have acted equally on the NGOs, they may not be the key force which determines the number of new branches established.

Table 5.14 NGOs Gaining more than Five New Branches per year in the last Three Years.

NGO	Econ	Pol	Comp	Market	Tech	Social	Global
Cheshire Homes	1.0	1.1	1.1	2.6	1.3	1.0	1.1
Wateraid	1.0	1.7	2.3	1.8	2.2	1.7	1.3
Christian Aid	2.2	3.1	2.8	2.6	3.6	2.9	1.6
Befriend-ers	-	2.7	3.2	4.6	3.7	3.1	1.7
Hamlet	1.8	2.7	1.6	4.0	4.2	1.9	2.0
France Liberté	1.0	3.3	3.0	2.8	2.8	3.7	2.4
MRG	-	3.7	3.0	4.0	2.3	3.3	1.2
Multiple Sclerosis	1.4	1.6	2.2	2.0	3.5	2.1	3.3
Mean	1.4	2.5	2.4	3.0	2.9	2.5	1.8

Table 5.15 NGOs whose number of Branches stayed the same in the last three years.

NGO	Econ	Pol	Comp	Mar	Tech	Soc	Global
WDM	1.0	1.0	2.4	2.0	3.7	2.4	1.1
Tuireg	1.4	3.0	2.1	3.4	3.3	2.7	2.5
Inter-Child	1.5	3.5	-	-	-	-	1.9
Brit-Tanz	1.0	1.3	1.6	2.4	2.2	1.6	1.4
India-Dev	-	4.0	4.0	3.0	3.3	4.0	3.0
One-World	1.4	1.6	3.2	2.0	3.5	3.5	1.0
Anon 1	2.0	1.6	2.0	2.6	1.7	-	1.1
Global Health	-	-	-	-	3.2	-	-
UNICE F	1.0	1.0	2.2	2.5	1.5	2.9	3.0
HTA	2.6	1.8	2.2	3.3	2.3	3.1	1.5
Mean	1.5	2.1	2.5	2.6	2.8	2.9	2.1

5.4.4 The effect of Individual Drivers

To investigate further the effect of individual drivers on the rate of internationalisation, the mean of each driver (in each block of drivers) for the fast and slow quartiles of NGOs was compared (see tables 5.16 - 5.23 below).

Table 5.16 Comparing individual Economic Drivers: fast NGOs against slow NGOs

	Economies of scale	Lower costs for campaigning	Lower costs for programme	Lower labour costs overseas	Increasing costs of fundraising / campaigning
Fast	1.4	1.6	1.7	0.7	2.0
Slow	1.4	1.3	2.0	0.5	2.1

Using ANOVA shows there is not a statistically significant difference between the fastest and slowest NGOs due to the economic drivers (p = 0.944 which is > 0.05)

Table 5.17 Comparing individual Political Drivers: fast NGOs against slow NGOs

	Lower trade barriers	Creation of trading blocks	Decline in social role of government	Opening eastern Europe	Democracy in South America	Growth East Asia economy	Growth intergov bodies
Fast	2.0	1.6	3.4	2.8	2.4	2.2	2.7
Slow	1.8	2.0	3.0	2.0	1.3	1.5	2.4

Using ANOVA (p-value at 0.787 is > 0.05) again shows that the political drivers do not significantly influence the speed of NGO internationalisation.

Table 5.18 Comparing individual competition drivers: fast NGOs against slow NGOs

	Competition for o'seas funds	Competition for home funds	Competitioners internationalising	Ease of branch formation	Forming of global partnerships	Competition for recognition	Effect of global media
Fast	2.5	2.6	2.0	3.2	2.5	2.1	2.4
Slow	3.3	3.0	1.7	3.2	2.1	1.8	1.4

ANOVA, with a p-value of 0.620 (ie > 0.05), shows that the block of competition drivers do not significantly influence on the speed of NGO's international development.

Table 5.19 Comparing Individual Market Drivers: fast NGOs against slow NGOs

	Prompts from o’s seas supporters	Existence of o’s seas funds	Fundraising opportunities	O’s seas for legitimacy	Programme needs o’s seas
Fast	3.2	2.9	2.4	2.5	4.4
Slow	3.8	2.3	3.0	2.4	4.4

Using ANOVA on the effect of the market drivers has a similar result to that of the previous drivers; which is that the market drivers do not significantly influence the speed of NGO internationalisation (p-value 0.211 is > 0.05).

There are, however, some differences between individual market drivers. Prompts from overseas supporters are less of an influence for the fastest expanding NGOs, probably because they now have a strategy and the first stage of internationalisation (donations etc from abroad) has been passed. Nevertheless for both sets of NGOs this is a medium influence.

The difference between “Existence of funds overseas” at 0.6 is higher for the fastest group of NGOs, though this is not enough to be statistically significant. These NGOs may have the ability to span a wider market for this than the slower and smaller NGOs. Fundraising opportunities are, however, seen more clearly by the slower NGOs perhaps because the fastest NGOs have already taken advantage of these opportunities.

“Overseas development to gain legitimacy” e.g. looking for Observer status at the UN is nearly the same for both groups and the last category programme needs overseas is identical. However, at 4.4 this is by far the highest scoring driver and is obviously a key

reason (if not the key reason) why NGOs expand internationally. Indeed, it may be thought of as the equivalent to the profit motive in companies. For both the fast and slow NGOs it is the *raison d’etre*.

Table 5.20 Comparing individual Technical Drivers: fast NGOs against slow NGOs

	Ability to exploit databases	E-mail use	Ease of moving funds	Ease of international communication	Ease of knowledge transfer	Ease of international travel
Fast	2.4	3.3	2.9	3.6	3.8	3.4
Slow	1.7	3.3	2.4	3.5	3.0	3.2

An ANOVA test of difference shows that the block of technical drivers do not significantly influence the rate of NGO internationalisation (p-value 0.825 is > 0.05).

Individual technical drivers, however, all show the fastest NGOs scoring slightly higher for each driver, except e-mail where they are identical; though this is not statistically significant.

Table 5.21 Comparing individual Social Drivers: fast NGOs against slow NGOs

	Social change in Asia	East Asia	N America	S America	Africa	E Europe	W Europe
Fast	2.8	2.5	1.7	2.4	3.1	3.3	2.0
Slow	3.6	3.2	1.5	1.7	4.3	2.6	2.4

Overall, analysis of difference using ANOVA shows the block of social drivers do not have a significant influence on the rate of NGO internationalisation (p-value at 0.689 > 0.05).

Table 5.22 Comparing individual General Globalisation drivers: fast NGOs against slow NGOs

	Salar- ies con- verge	Life- styles con- verge	Ease stand- ardising Fund- raising	Glob al don- ors	Global cust- omers	Global market ing	World brands	Global advert -ising	World media
Fast	1.5	2.2	1.9	2.4	2.6	1.5	1.6	1.8	2.2
Slow	1.4	1.9	1.7	1.5	3.0	1.4	1.9	1.2	2.6

Using ANOVA reveals a similar picture to the others above (p-value at 0.371 > 0.05 significance level). The effect of the block of general globalisation drivers on the NGO's rate of internationalisation is not significant.

5.4.5 Comments

The analysis has shown that the blocks of drivers are unlikely to be a significant influence over the rate of NGO internationalisation. There are, however, slight variations for individual drivers within this overall picture and these variations are discussed below.

The key differences occur first with the individual political drivers. These reflect the broad changes that have taken place in Eastern Europe, South America and East Asia. They have influenced the fastest NGOs rather more than the slowest. It may be that the fastest happen to be in a position to respond to expressed need in those regions. For example, Eastern Europe post communism received, mostly via NGOs, large amounts of financial aid. South America emerged from the rule of the dictators with many social problems and the rapid growth of East Asia was often at the expense of a dispossessed class that was marginalized by new developments. All these were events that could be classed as political drivers with, of course, elements of other drivers such as social drivers mixed in.

The competition driver "global media" has a much larger difference between fast and slow NGOs than any other competition driver. Indicating, that the fastest NGOs are much more capable of taking advantage of this phenomena perhaps because their size or influence allows them to buy into or otherwise access worldwide media. Conversely, "competition for overseas funds" is felt to be much more influential by the slowest, perhaps because they struggle under this competition.

No individual market driver shows such a large difference between fast and slow NGOs as the above; but it should be noted that "programme needs overseas" is highly influential for both types of NGO, and is the highest scoring driver. As was noted above, there is possibly a parallel with the profit motive for commercial firms.

The individual technical drivers do appear to show clear differences with both the "ability to exploit databases" and the "ease of transfer of knowledge" scoring highly. It may be that the fastest growing NGOs are more IT literate and can use their databases to raise financial resources for expansion faster than the slowest (databases are a key element in large scale fundraising). The "ease of knowledge transfer" may make it much simpler to manage branches and partnership over considerable distances by shortening the time taken to deliver information and receive feedback.

The social drivers give "Eastern Europe" and "South America" as more influential for the fastest NGOs possibly due to the greater retreat of the state from social functions in those

regions and the ability of those NGOs with an entrée to those regions to capitalise on grants that became available.

Neither the block nor individual general globalisation drivers create marked differences between the fastest and slowest NGOs.

Another approach was tested which was to divide the NGOs in half by speed (rather than using quartiles), with one half being the fastest and one half being the slowest, thereby doubling the numbers under consideration. This, however, made no practical difference to the results and the conclusions to be drawn from them.

5.5 The effect of the most influential Individual Drivers

The analysis in sections 5.3 and 5.4 above has shown that some individual drivers are more important than others. To obtain a clearer picture of the effect of the individual drivers the following analysis looks at only those drivers which NGOs scored as high or very influential (i.e. at points 4 or 5).

This analysis does not consider the effect of drivers on the rate or spread of internationalisation only in the individual drivers reported influence. By stripping away the less influential drivers and looking solely at those with a large degree of influence the pattern in table 5.23 is revealed. This table shows where each NGO (numbered on the left) score a driver high or very influential.

Table 5.23 The most influential Economic Drivers

Drivers		No of NGOs	% of NGOs
Economic	Economies of scale in fundraising		
	Lower costs for campaigning		
	Lower costs for programme	1	2
	Lower costs overseas	2	4
	Increased costs of fundraising & campaigning		

The lack of perceived influence of all the economic drivers, that we have seen in table 5.1, is clear with only the lower costs of campaigning and programme work getting a mention and then by only two NGOs which shows that for a very small number of NGOs some drivers are highly significant.

Table 5.24 The most influential Political Drivers

Drivers		No of NGOs	% of NGOs
Political	Lowering of trade barriers	3	6
	Creation of trading blocks	1	2
	Decline in social role of govt.	13	25
	Opening of Eastern Europe	11	21
	Democracy in South America	4	8
	Growth of East Asia	3	6
	Growth of inter-gov. orgs.	2	4

Table 5.24 indicates that the decline in the social role of government and the opening up of Eastern Europe played a strong part in the internationalisation of 13 and 11 NGOs respectively (25% and 21% of total questionnaire response). This represents roughly a quarter of those responding though there are only four NGOs who cite both drivers and they may refer to the same motivation for moving towards Eastern Europe.

NGOs often have a specific geographic focus e.g. Karuna in India. This may explain why more NGOs did not see the opening up of Eastern Europe as relevant to them. It may also

be that NGOs do not like to think of themselves as replacing government funds or "doing the work that Government should be doing" and so may be reluctant to credit the decline in governments' social role as relevant to their own expansion. However, the needs that become exposed or created by the withdrawal of government projects may indeed spark a sympathetic response.

Table 5.25 The most influential Competition Drivers

Drivers		No of NGOs	% of NGOs
Competition	Competing for funds internationally	9	17
	Competing for funds at home	8	15
	Competitors internationalising	5	10
	Ease of linking to branches o'seas	13	25
	Global partnerships forming	12	23
	Competition for recognition	6	11
	Pull of global media	6	11

By looking at those organisations scoring competition drivers 4 or 5 the strength of the "ease of linking with overseas partners" and "the formation of global partnerships" becomes apparent with 13 (25%) and 12 (23%) NGOs respectively.

For the first time competing for funds at home and competing for funds internationally are seen to be influential for 15% and 17% of NGOs respectively. This could indicate that rather than influence the rate of internationalisation these individual drivers affect many NGOs across the board from fast to slow. The effect may be strong even if other factors hold back some of these NGOs from rapid expansion.

For a small minority (5 or 6 NGOs) "competitors internationalising", "competition for recognition" and "the pull of global media" are also very influential.

Table 5.26 The most influential Market Drivers

Drivers		No of NGOs	% of NGOs
Market	Prompts from overseas supporters	12	23
	Existence of overseas funds	6	11
	Fundraising opportunities	5	10
	Active overseas for legitimacy	8	15
	Programme needs overseas	26	50

Within the individual market drivers the usual pattern of high influence for "programme needs overseas" is reported by 50% of NGOs. However, 12 NGOs (23%) give "prompts from overseas supporters" as having high significance. It is also reported by all the case study respondents, that branch members and partners overseas make suggestions about the next country or project to be considered, so acting as the "overseas supporters" of this driver. It is also apparent from another survey question (Q 1.6) that the first overseas step is often taken in response to a request from overseas. Some 15% of NGOs cited increased "legitimacy" as of high influence. Legitimacy is a "market" consideration as it may affect an organisations funding; but it can also be a political consideration and may affect members or the public's view of the organisation. Only 5 NGOs (10%) cited "fundraising opportunities" which reinforces its apparent lack of influence in internationalisation for the majority of NGOs.

Table 5.27 The most influential Technological Drivers

Drivers		No of NGOs	% of NGOs
Technological	Ability to exploit databases	8	15
	Development of e-mail	20	38
	Ease of moving funds globally	7	13
	Ease of global communication	20	38
	Ease of transferring knowledge	24	46
	Ease of international travel	19	36

The effect of the individual technical drivers is highlighted by this table. About half the NGOs cited the "ease of transferring knowledge" and not many less (19, 18 and 24 - 36%, 35% and 46%) cited "e-mail", "ease of global communication" and "ease of international travel". As remarked above these may well be enablers rather than drivers but have a pervasive effect on many NGOs. Seventeen NGOs (33%) cited 3 or more of the technology factors as highly influential.

Table 5.28 The most influential Social Change Drivers

Drivers		No of NGOs	% of NGOs
Social Change	Asia	15	29
	East Asia	8	15
	North America	1	2
	South America	11	21
	Africa	14	27
	East Europe	16	31
	West Europe	5	10

Whilst not as pervasive as the technology drivers the regional social change drivers have a marked effect on some NGOs. Sometimes these are already working in the region and occasionally they just access the new opportunities e.g. Eastern Europe (with the most NGOs at 16 - 31%). Asia had 15 (29%) and Africa had 14 (27%) NGOs who gave them a rating of 4 or 5. Coming closely behind, East Asia had 8 (15%) and South America 11 (21%).

Table 5.29 The most influential General Globalisation Drivers

Drivers		No of NGOs	% of NGOs
General Global	Convergence salaries	1	2
	Convergence lifestyles	2	4
	Ease of producing standard fundraising products	4	8
	Travel creating global donors	5	10
	Organisations becoming global customers	9	17
	Ease of regional / global marketing	3	6
	Effect of world brands	2	4
	Effect of global advertising	3	6
	Effect of world media	4	8

Perhaps surprisingly, "organisations becoming global customers" (whereby an international NGO deals with the same supplier, customer or partner in, or for, several countries) is listed by 9 NGOs (17%). Examples of this are SightSavers using the same firm to supply ocular implants in different continents, UNICEF using a global advertising agency for Public Information Advertising in Africa, Asia and Latin America and Amnesty International using the same firm to install software and train its staff across Asia. If these organisations begin operations in a new country they do not need to source these elements again, which makes internationalisation easier. This driver may then operate as an "enabling" factor. There are no other drivers that are scored by more than 5 NGOs.

5.5.1 Which Blocks of Drivers influence the most NGOs

The most important individual driver in this research was "programme needs overseas" with 26 out of 52 responses (50%). Of the remaining drivers, the most high scores come from the technological drivers (15 NGOs) with the rest a stage behind i.e. the market drivers (10 NGOs), social drivers (9 NGOs) and the competition drivers (8 NGOs). This

indicates that some technological drivers are perceived as having a high influence over about 30% of NGOs, some 50% more NGOs than other drivers.

Individual drivers

Table 5.30 below lists the percentage of NGOs, responding to the survey, who gave the driver on the left a rating of high or very high influence.

Table 5.30 Percentage of NGOs rating individual drivers high or very high.

Driver	% of NGOs
"programme needs overseas"	50
"e-mail"	46
"Ease of transfer of knowledge"	36
"Social change: Eastern Europe"	31
"Social change: Asia"	29
"Social change: Africa"	27
"Ease of linking with overseas partners"	25
"Decline in the social role of government"	25
"The formation of global partners"	23
"Prompts from overseas supporters"	23
"Opening up of Eastern Europe"	21
"Social change: South America"	21
"Competition for funds internationally"	17
"Organisations becoming global customers"	17
"Competing for funds at home"	15
"Legitimacy: need to be seen as active"	15
"Social change: East Asia"	15
"Fundraising Opportunities"	15

The above list shows an interleaving of "meeting needs" type reasons for internationalising and technological "enablers" assisting development, which have a similar number of NGOs rating them as highly influential.

That 50% of NGOs rated "meeting needs" of high or very high influence is not surprising but that this was followed by "e-mail" and the "ease of transferring knowledge" may not

have been suspected. Social change in Eastern Europe, Asia and Africa follows and continues the interleaving theme by being followed in turn by "ease of linking with overseas partners".

After "decline in the social role of government" which is another "need" related driver there follows the "formation of global partners" which may be an aspect of globalisation acting as a driver and "prompts by overseas supporters" which is perhaps a pure driver.

These are followed by two "needs" related drivers then by "competing for funds internationally", "organisations becoming global customers" and "competing for funds at home". This shows that for a minority of NGOs these are important drivers of their international development. Another market factor "the need to be seen to be active" is highly rated by the same number of NGOs as is "social change in East Asia". They are followed in the table by "fundraising opportunities" with a 10% rating, which has not appeared as particularly important before.

The consideration of the effect of individual drivers shows that they play a very strong role in the development of a minority, and in some cases nearly half, of the NGOs surveyed.

5.6 Results summary and Conclusions

Taken together, these results suggest that Yip's drivers exert a complex influence (Yip, 1995). They do not appear to have the direct pervading influence on all NGOs that Yip suggested they may have on the internationalisation of companies. Though Yip's main

message was that firms should pay close attention to these drivers or they may be left behind during globalisation. Similarly, NGOs may be exhibiting a difference in awareness of the range of drivers and may need to pay more attention to and make better use of the competitive advantage to be gained from taking the drivers into consideration. For example, by using the power of global advertising to improve brand recognition rather than allow their image to change from country to country.

Of course, individual drivers acting on certain NGOs are reported to have a very strong influence. It may be that a variety of different factors influence NGOs with various combinations of drivers exerting strong influence on individual NGOs without forming a clear pattern. As we have seen, even grouped into types, NGOs exhibit similar responses. Certain drivers such as some of the technology drivers have a moderate influence on many NGOs and may be acting as enablers of the process which are not perceived to drive it forward; but which make it easier to contemplate and then to carry out. Certain other drivers may set the necessary conditions for expansion, for example, political change. These drivers may act as "precursors" to international development.

There may indeed be other external drivers not taken into consideration above or factors which outweigh or act as barriers to these drivers. Section 5.7 below looks at other drivers not listed above but suggested in the survey. The subject of "barriers" to the effect of internationalisation is approached again after the consideration of the case studies.

5.6.1 Grouping the drivers

In this research it was found that, of the seven blocks of drivers, technology exerts the highest influence on NGOs and that was only medium pressure. The rest all fall short of this though the marketing drivers are very close to exerting medium influence. The effect of the economic drivers is close to negligible. The political drivers fall only midway between negligible and medium. The effect of the competition drivers is similar to that of the political drivers as is the influence of the social drivers. The general globalisation drivers are of close to negligible influence

The blocks of drivers ranked in order of influence are:

1. Technology drivers
2. Marketing drivers
3. Social drivers
4. Competition drivers
5. Political drivers
6. General globalisation drivers
7. Economic drivers

5.6.2 The effect of Individual Drivers

Of the individual technology drivers, the "ease of communicating", "ease of transferring knowledge" and "ease of travelling overseas" are of more than medium influence and stand out from nearly all the drivers. They may therefore be key facilitating factors in the international development of NGOs. No "general globalisation" driver, however, stands out much from the others.

For economic drivers only one NGO felt a very high influence, which was for "lower costs for programme" work, and only one other NGO scored 4 (high influence) which was for "lower costs for campaigning" and "lower costs for programme". For companies the economic drivers are usually based on cost reductions which NGOs may not be able to replicate, or may not view as so significant in achieving their various missions. This may be an important point of difference between NGOs and companies.

Though, in general, political drivers are cited as of low or negligible influence a few NGOs score them quite highly. This was particularly so for the "decline in the social role of government" (25% of all NGOs) and "the opening up of Eastern Europe" (21%).

Some competition drivers are of high influence for a minority of NGOs; "The formation of global strategic partnerships" (23%), "Ease of linking with overseas partners" (25%). Seven NGOs score more than two of the competition variables as high or very high influence.

Marketing drivers have the highest individual number of NGO's giving a high score to a variable, but as this is "programme needs overseas" which may equate to a companies desire to earn profits is not surprising. Fifty percent of all NGOs rate this driver of high or very high influence.

Individual technology drivers present a much more varied picture. "The development of e-mail" (38%), the "Ease of international communication" (38%) and the "Ease of

transferring knowledge" (46%) have over one third of all NGOs citing them as of high or very high influence. This may indicate that the ease of keeping in touch is stronger in influencing internationalisation than other variables such as exploiting databases and transferring funds which may be more important in activities such as economically exploiting overseas branches.

The whole block of social change factors are scored of high or very high influence by certain NGOs. Eastern Europe leads in this with 31% of all NGOs. Asia is not far behind with 29% of all NGOs and Africa is close with 27%. Even Latin America has 21% of NGOs citing social change there as of high influence. Many NGOs, however, spread their programmes over several regions so it may be that the drivers work across regions and/or that the lessons of internationalisation can be applied to several regions.

Of the general globalisation drivers "Organisations becoming global customers" has 17% of NGOs giving it a score of high or very high influence. None of the others comes close to this.

If, overall, the drivers do not play a very important role in affecting the rate of internationalisation, then there are likely to be other factors which determine that one NGO will outstrip another in expanding its services overseas. For example, the decision may rest much more strongly on internal factors or the respondents are underplaying the significance of some external factors. These alternative factors were therefore explored through the case studies in section 5.8 in which four NGOs were considered. Two of them

were taken from the fastest internationalising quartile and two from the slowest. Before that, section 5.7 looks at other drivers reported through the survey.

5.7 Reported Steps and External Events

The answers to survey questions 5 & 12 provided additional information about the causes of NGOs internationalisation. Question 5 asks for the listing of "key steps in your NGOs international development". Though this may also function to flesh out or confirm the analysis of stage theory answers, in practice the response often mentioned a driving factor or enabler as much as a stage of development - see section 5.5.1

Question 12 is more direct asking for "the most important external events to influence your international development". There is, however, a blurred line between several of the categories that emerge such as political, economic and social causes. Is the "opening up of China" when cited as an external event in the category of political, social, economic driver or all three? If the latter, it is still uncertain to what extent it lays in each of the three arenas. The following is therefore a tentative picture.

Taking the answers to either question that give a response revealing a possible "driver" and grouping those responses into broad categories gives the following table:

Table 5.31 Reported "drivers"

Driver category	No of NGO Mentions	% of total NGO response (52 NGOs)
"Need"	15	29%
Internal policy formed	15	
Political	13	25%
Social	13	
Funding secure	12	23%
Availability of partners	7	13%
Leadership push	7	
Economic	3	6%
Technology	2	4%

In total 26 organisations (half the 52 respondents) answered one or both of these questions. These "drivers / enablers" appear to be part internal and part external. The external are the "need", political situation, social situation, availability of partners and the economic situation. Apart from the availability of partners these may also be partly creators of need and partly creators of access to need. For example, the political situation can cause inequalities, which create need or it may cause national borders to become more porous allowing assistance to cross into previously closed countries.

Internal factors include the formation of policy; securing of funds, which may depend on availability, an external factor; leadership push and technology, the usefulness of the latter may depend on its stage of development, also an external factor. Before an organisation puts effort and resources into its overseas expansion, internal policy decisions are often essential. Similarly, it is essential for adequate funding to be secure before expansion can take place, as several case study interviewees mentioned. These are limiting factors to be

overcome, without which internationalisation might not be possible. The role of leaders came across very strongly in early pilot project discussions, and it seems that the first step abroad is often set up by a dynamic director or charismatic founder. As we have also seen technology is an enabler making overseas communication much easier and the process much more efficient for example, in the transfer of knowledge. Though technology was cited by very few of the respondents compared to "need" or policy setting.

In relation to the earlier analysis; it goes some way to confirming the importance of "need" (mentioned by 29% of NGOs), and the place of social and political drivers (25%), though technology comes at the bottom of the list (only 4%) with economics only just above (with 6%); perhaps because, as an enabler, technology comes less readily to mind than the political and social factors which are likely to impact on "need". Whether the other drivers are not mentioned due to their lack of importance or perceived relevance to the actual question is not clear. The driver "the securing of funding" has occurred before, but as a driver of international development not as a necessary precursor.

These questions do introduce, however, the four new elements; that of "the formation of internal policy", "the securing of funding", "availability of partners" and "leadership push". They help to bring into question the, perhaps simplistic, notion that international development is driven by a series of forces regardless of other conditions.

If we include the previously posited notion of "enablers" (such as aspects of technology) and "precursors" (such "ability to operate" in certain countries) we then have a more

complex picture that includes an internal enabler "the formation of policy" and the necessary precursors "availability of funds" and "availability of partners". Leadership push joins these as an internal driver. Because of the diverse nature of NGOs it is quite possible to see some of these factors operating in different categories. For example, the setting of an internal policy may be a necessary precursor as might leadership push.

Section 5.8 analyses the four case studies to see to what extent they tend to confirm or disconfirm the findings; show how they may operate in practice, and to investigate if other, so far unreported, factors are relevant.

5.8 Deepening the Understanding: the Case Studies

The four case studies were: Karuna Trust, a small development organisation working mainly in India; Africa Now, another small development organisation but working in parts of Africa; Leonard Cheshire International, a large international NGO working for disabled people in many countries and IPPF, a large worldwide federation of family planning associations.

5.8.1 Comparison of the effect of Drivers

All four organisations give their principle driver for internationalisation as "programme needs overseas" followed, for the small NGOs, by the need for adequate funds. Other drivers may come some way behind this. This can be seen from the following four quotes:

"Research in India has shown which needs are most pressing. Yip's drivers have played a much lesser role", Karuna Trust.

"We are driven by need. That is the funding of suitable projects by our branches. The key driver has been the amount of funds raised in the UK; in which Africa Now has been overshadowed by Oxfam and other large scale development agencies", Africa Now. Here Africa Now acknowledges that, however great the need, internationalisation depends on their ability to raise adequate funds to meet that need. In their case, funds are distributed through their local branch network.

"The driving force is the need overseas and the readiness of partners to raise sufficient funds locally. This is rather than competition for funds or with other charities for status and all that." Leonard Cheshire.

"Programme needs overseas are obviously the top reason for expansion", IPPF.

These quotes, however, beg the question, "Do the drivers affect the needs and therefore the course of internationalisation?" For example, political forces brought down the Berlin Wall and hastened the dislocation of economies that created acute need in Eastern Europe. It is not hard to see the needs that may be created by social change or indeed the needs that are increasingly being highlighted that are thought to be the creation of the whole globalisation process. Because NGO staff are involved in meeting needs on a day to day

basis it may be too difficult for them to step back and acknowledge a chain of cause and effect.

It should also be acknowledged that NGOs take pragmatic decisions as to how they will meet needs. For example, Leonard Cheshire has decided to concentrate on the organisation building of its partner's capability rather than opening new homes for the disabled. Being needs driven still requires facing up to choices. The efficacy of these choices may then be affected by changes in the external environment i.e. by drivers which may be those highlighted by Yip. Given limited funds, the choice may be to expand into new countries or to engage in organisation building with existing partners. The ease of expansion, stage of internationalisation and degree of local self-sufficiency may all play a part in the creation of a suitable strategy. This indicates that each area covered by the proposition comes into play to some degree in the process of "meeting needs".

5.8.2 Economic Drivers

None of the organisations interviewed felt that the economic drivers had played a part in their internationalisation. For example, "Yip's drivers have played a much lesser role than the Buddhist philosophy of helping others and developing the understanding of Buddhism", Karuna Trust. "The economic drivers have not been relevant", Africa Now. Even Leonard Cheshire said that the economic drivers have had little or no effect and IPPF said, "The economic drivers have not been at all important in setting up new associations".

Of course, the economic drivers may determine the ability of the organisation to raise funds and therefore act as a limiting or driving factor in respect of the resources available to the organisation in meeting needs.

5.8.3 Political drivers

Individual political drivers still do not apparently form important drivers; though, as in the case of Eastern Europe, they can provide possibilities, which must at least be carefully considered. Political changes can also alter the context for international development, for example, the actions of the IMF may affect the need overseas and "need" is recognised as the strongest driver.

Taking the organisations one by one. Political changes around the world do not appear to have affected Karuna. The decline in the social role of government may not have been as marked in India as elsewhere. Indeed much of Karuna's work has been to help poor people access government services. The opening of India's doors to currency flows, foreign investment and manufacture etc has not affected Karuna as funds were always able to enter the country for relief purposes. For Africa Now "Local politics affects us more than global changes" because they impact on their ability to carry out and expand programme activities.

For Leonard Cheshire the withdrawal of government involvement in social services has affected the Foundation in the UK directly, but positively, as they have taken over some Government Services "lock, stock and barrel". Overseas there has been little effect. For

example, the political changes in Eastern Europe are not reported as greatly affecting the Foundation as they require their partners to be autonomous and self-sufficient, raising money locally which is rarely possible in the region. They opened a Home in Moscow in the late 1980s, which is now run by veterans of the Afghan war.

The case of IPPF is more complex. "The change in trade barriers has had no influence neither has the setting up of trade blocks", but the decline in the social role of government has had an influence in that the structural adjustment programmes have reduced governments role in, and ability to assist with, family planning.

"The fall of the Berlin Wall opened up Eastern Europe which created opportunities but realising those with a small regional staff has not been easy though the Russian family planning association (FPA) is now doing well", however, "Democracy in South America changed very little for the FPAs". Similarly the growth in the East Asian economies has made income generation there easier but not driven expansion.

"The growth of the IMF and World Bank's influence has worked against family planning as health services have been cut back drastically (*during structural readjustment programmes*). The funds available for health and development have greatly diminished over the years. The total development aid levels fell 25% between 1992 and 1997. Only a small percentage of this goes to reproductive health." (Comment in italics added.)

The strongest effect of political drivers is often local to a country or region and therefore the extent to which an NGO sees itself as a player in the area will determine if the change will act as a driver (to or from that region).

5.8.4 Competition drivers

These seem to have had no acknowledged influence from any of the four NGOs studies as a block or as individual drivers. Competition as a determining factor may not enter the mindset of NGO staff as commercial (or perhaps in this case entrepreneurial) considerations are often not uppermost when considering an international move. Yet competition may determine the ease with which organisations raise funds.

This will have an effect both in the short term as other NGOs compete for limited resources and in the long-term as NGOs compete for international funds; when being the key player can bring extraordinary income rewards. For example, the organisation in any one field with the most pervasive international development can apply for UN Observer status. This gives it a degree of prestige, which is likely to influence major donors.

Yip (1995) cites Japanese companies as the first to establish efficient globalisation strategies. Since then the literature, reviewed in Chapters 2 and 3, gives a great many examples of firms competing internationally using globalisation strategies. International NGOs, on the other hand, tend to have few economic rivals. For example, Greenpeace is the predominant international environment pressure group, Amnesty International is the predominant human right NGO and though there is a proliferation of development agencies

they tend to have specialist roles in regard to children, blindness, disability etc. The case studies also showed this tendency to specialise, and in the case of Africa Now to move out of a country when a larger NGO was prepared to undertake similar work there. This may explain why competition is not currently seen as an important driver for NGOs. However, with Greenpeace and Amnesty International and others recruiting on a worldwide basis, other NGOs may, in time, see this as a threat to their ability to capture the financial resources they require to meet needs.

5.8.5 Marketing drivers

Discussion on individual marketing drivers brought forth the same response from each NGO which was to reiterate the primacy of their programme work overseas. For Karuna programme needs overseas is the key driver. Albeit that, overseas supporters also bring ideas for expansion. For Africa Now programme needs is the key driver though requests from branches and partners are also important.

Leonard Cheshire believes too that programme needs is the key driver. "The readiness of partners to raise sufficient funds locally" is the other key factor. For IPPF "programme needs overseas are obviously the top reason for expansion", but "Prompts from overseas supporters often starts FPAs and is of crucial importance", and clearly, "The other market factors do not play a role in driving expansion". Prompts from overseas supporters may, however, be an indication of need.

Again, marketing drivers may play an unacknowledged role in helping or hindering the organisation from raising the resources necessary to carry out a programme of internationalisation (or simply meeting needs); and, as above, the current lack of serious competition in the NGO world may lead to market factors not being perceived as meaningful drivers at this stage.

5.8.6 Technology Drivers

As can be seen in the comments below technology is a facilitating medium not a driver for these NGOs. Karuna reports that, advanced telecommunication has increased the volume of communication but "the e-mails are often not answered" and "knowledge transfer is not made by e-mail". Technology has not driven developments but it is readily acknowledged to have made expansion easier and to facilitate the process "the volume of communication has greatly increased due to e-mail, though replies are rarely as quick as here".

Africa Now states they are starting to use e-mail to transfer knowledge within the constraints of a lack of electricity in the countries in which their branches operate. "We are setting up a web site that will have parts set aside for our branches or partners with appropriate information stored there including reports and research". Technology has made them more flexible in managing their branches.

For Leonard Cheshire, the Training and Support Department works with partners overseas. Their work is made much easier by e-mail, the ease of money transfer etc.; but this does not act as a driver merely as an enabler. The technology "may not be being used enough to

transfer knowledge". There are problems with e-mail as it is often not answered where people are not used to the technology or there is insufficient electricity to maintain a frequent service.

The most expressive quote comes from IPPF who says, "technology has imposed itself" it makes it much easier to communicate and to evaluate associations work. Only three years ago IPPF began to fully develop its IT in relation to a new Management Information Systems "IPPF Vision 2000" devised by Dr Bousidi in 1999. All associations can now return their annual financial and review questionnaires by e-mail or by hard copy. But "IT does not drive our programme". Knowledge is not yet transferred via IT, but IPPF is very close to maximising its use of the Internet and expanding its Intranet. Keywords allow associations to reach different data-bases on the Intranet.

Other technology developments have facilitated not driven IPPF's internationalisation. They have also greatly helped IPPF control/manage its component parts. Much of which "would not be possible without IT". Of 140 associations perhaps 66 are fully proficient.

5.8.7 Social change

Apart from Karuna, social change is an acknowledged agent of development albeit a relatively minor one in most cases. For Karuna, social change in India has had little impact on their work; which is principally with the untouchables who have not been affected by India's development. Because their work is based in India social change in other parts of the world have not affected them.

Only in Zimbabwe have social changes affected the programme of Africa Now, "sometimes workers have been unable to travel and there are fuel and electricity shortages". This has, however, not yet influenced their international development.

For Leonard Cheshire social development is incorporated in the reasons that areas are chosen for expansion. This is summed up in their strategic plan for 2001/2 – 2005/6. This document is now the driving force behind LCI's international expansion. It is the first strategic plan for LCI and sets out the international development of the Training and Development Programme in detail. This programme fits in with the wider LC Strategic Objectives drawn up in 1999. Latin America has been signalled out for development. Part of this is the development of alliances with other related services. An office will be opened in La Paz in July 2001.

Social development may be a subset of local need which drives internationalisation. IPPF: "Of all the regions, social change in Eastern Europe has been the most marked driver of internationalisation". This is because local organisations independent of government can now form to meet social need.

5.8.8 General Globalisation Drivers

Like the economic criteria the individual general drivers are not seen to have much effect. "These drivers have had little or no effect", Karuna. Africa Now says there is little or no

effect from them. And Leonard Cheshire mirrors that with "no known effect". For IPPF, these have not driven internationalisation.

As noted above, however, the effects of globalisation may be driving need. Other effects may not yet be visible to those taking part in the case studies. For example, the creation of worldwide professionals with similar lifestyles allows organisations like Greenpeace to carry out successful fundraising programmes using the same techniques in many different countries i.e. face to face fundraising on the streets of major cities.

5.8.9 Driven by Need ?

All four NGOs report being needs driven. Only the two fastest growing have codified their development into written strategies, which have been through an internal consultation and approval process. The slowest tend to make decisions on a case by case basis involving principally the Director and Trustees (though Kauna consults frequently with all its staff). This would imply that the fastest undertake international development on a planned basis and the slowest on a more ad hoc basis; but such planning may be more a facet of their size (having plenty of staff) than of their speed.

The local causes of need and methods of alleviating that need is well understood by the slowest NGOs, but the influence that the wider global context may have on the generation of those needs does not appear to be part of the decision making process. This is not to say that local need is not properly researched on a country by country basis.

The fast internationalising NGOs, Leonard Cheshire and IPPF, differ in that Leonard Cheshire depends on the ability of its partners to raise fairly large sums locally whilst IPPF, as a federation, depends on the ability of professionals to group together to form Family Planning Associations (FPAs). Both organisations therefore depend on local prosperity; which may or may not be common to other fast expanding organisations. That would seem to place internationalisation in the context of *local* political, economic and social change but this is not widely reported as affecting the pattern of development.

The mere size and global spread of both organisations means they are affected to some degree by global changes and by their ability to respond i.e. they have to consider whether to take advantage of changes. This is illustrated by the opening up of Eastern Europe. Both organisations tried to be operational and to assist in the development of local programmes. Unusually, Leonard Cheshire set up a Cheshire home in Moscow, but found it impossible to maintain until it was handed over to a local partner with management experience. Hong Kong and even China have proved much better in terms of establishing new homes. IPPF eventually helped to create the Russian FPA, but though its reproductive health projects and information has frequently penetrated other newly independent states (NIS) actual FPAs have proved more reluctant to emerge.

Politics and economics fuse in the effects of the IMF, World Bank and other inter-governmental organisations. Where these have proved detrimental to national health programmes they have spurred on IPPF's plans; but as these were accompanied by

reductions in countries economic performance, which affects local ability to raise funds, they do not appear to have had such a conscious affect on Leonard Cheshire's.

Social change, as a block of drivers or as individual drivers, could be expected to play a very significant part as a driver in each NGOs development but it is not greatly acknowledged as such. Only as far as it creates need, which then comes to the organisations attention. Even then, as in the case of Eastern Europe, these NGOs at least have not found it easy to respond. It is certainly built into Leonard Cheshire's strategy. The financial ability to respond to social change seems a key limiting factor for both NGOs and partners. There may also be limited flexibility in the use of management's other resources.

All four NGOs were dismissive of individual general globalisation drivers. This was despite Leonard Cheshire's internationalisation being dependent on local partner's ability to raise sufficient funds locally to carry out their programmes, which may be dependent on the growing cultural coherence of the professional and other wealthy classes worldwide.

5.9 Comparison with the Survey Results

The case studies both support the survey findings and help to elaborate the processes involved. They also go some way towards clarifying the "enablers", "precursors" and "internal drivers" that were discussed earlier. The underlying survey result, that individual drivers strongly affected certain NGOs, was reaffirmed.

The process of the block of technology drivers influencing NGOs seems to be summed up in the quote from IPPF "the technology imposed itself". The case studies indicate that as soon as e-mail and Internet access were available their cheap cost and obvious benefits meant they were put to use almost immediately. However, the setting up of more costly and advanced systems, such as Intranets, which may require a high degree of technical knowledge and understanding as to their benefits, are taking much longer. The survey emphasis on e-mail, ease of communication and knowledge transfer was largely supported by the case studies.

The case studies confirmed that the blocks of drivers affect the NGOs, if at all, through their intense concentration on need. If global changes became expressed in terms of new needs respondents did not, however, immediately identify them as drivers. As above, political and economic changes that created need (or even, such as in the case of Eastern Europe, perhaps allowed need to be met for the first time) were not necessarily recognised as drivers. Neither was competition or many of the other drivers. Yet in the process of globalisation it is becoming apparent that needs are sometimes being created or intensified.

The ability to operate was, however, clearly shown as a precursor by the comments made on Eastern Europe. This again illustrated that some drivers might not be acknowledged outright by NGOs but individual drivers were seen in discussion to play a strong part. For example, the ability to raise sufficient funds was clearly a precursor for the NGOs in the case study though it was not mentioned directly as a driver.

External factors beyond the drivers tended to be specific to the NGOs individual concerns, again expressed through needs. They also tended to be more prominent at the beginning of the organisation's life, for example, trips to Pune by significant individuals set the pattern of Karuna's involvement in India; Leonard Cheshire's father had legal connection to high officials (he had taught law to students who became high court judges in the commonwealth) who asked his son for help with disabled people and Shala Kaussary (an MBA from Wharton who founded Africa Now) had connections in Kenya. This mirrors the survey's finding that locating partners was for some a necessary step. Of course, these early steps could not take place without sufficient funds and for some organisations (e.g. Leonard Cheshire) could not take place without sizeable local funds being raised.

These individuals certainly drove the early days of internationalisation and without them their organisations may not have become international at all. The founders influence, however, wanes as organisations mature and a more systematic and codified approach develops. Both the existence of these significant change agents and the secondary effect of drivers on NGOs varies from the finding of Yip in relation to companies.

Other internal factors were said to be very strong, but only to the extent they related to need. With the largest two organisations, they were expressed through written strategies, which were developed through consultative processes with their partners. The smaller organisations trustees (with help from the Director) tended to decide which areas they would concentrate on. For example, Karuna's decision to fund partners outside Pune and Africa Now's plans to look at countries outside Zimbabwe and Kenya. These decisions

were made from internal considerations such as a desire to spread risk (Karuna) and a need to expand cautiously within the resources available without overloading existing structures (Africa Now). These latter considerations help to elaborate the survey findings regarding drivers by admitting the power of internal factors and the effect of some individual drivers.

The actions of the drivers as discussed above may be expressed diagrammatically - see figure 5.1. The external drivers put pressure on the organisation to internationalise, perhaps because of their strong connection to need, and the internal drivers provoke the actions, which lead to a programme of internationalisation. Some drivers, such as technology and adequate funds, probably act as enablers making it easier for organisations to internationalise; particularly when this kind of driver moves from being theoretically available outside the organisation to being available for use within the organisation. The internal and external drivers and facilitators are shown in figure 5.1 below:

Table 5.1 Internal and external drivers and facilitators

	EXTERNAL	INTERNAL
DRIVERS	Need* Political events* (often linked to need) Social change (often linked to need)	Leadership Policy formation
FACILITATORS	Availability of funds Availability of partners*	Technology Funds*

* Starred forces are precursors giving the ability to operate in a new country.

Included above is the facilitator, technology, which does not act as a driver. Others may act as either drivers or facilitators depending on the circumstances. These are political and

social factors, the availability of funds (which alone does not act as a driver), and the organisations leadership and/or policy.

This process can only get going if the precursors are in place giving the "ability to operate". The key precursors mentioned are: the need, the political considerations (e.g. can it be done legally), the financial (do we have the funds to make this move) and the partners (are there available partners to work with).

The process could then be described as one of four phases:

- Phase I Events create a "need" which the organisation should meet.
- Phase II It has the ability to operate (financially and politically).
- Phase III The internal conditions are right e.g. it has leadership support or enabling policies in place.
- Phase IV The NGO engages with the practical conditions on the ground, such as locating appropriate partners or creating branches. If any local problems can be overcome (the case studies show there can be stumbling blocks here) the organisation takes another step in internationalisation.

5.10 Companies and NGOs: Profit and Need

There are strong parallels between an NGO's concentration on need and a firm's concentration on profit for example both are the immediate *raison d'être* for their activities. Whilst Yip is silent on profit as a driver he does say that companies pursuing the global strategy he advocates are likely to incur additional costs or perhaps operate at a loss to gain

entry to certain markets and fight for or retain market share. This is part of building the ability of a firm to defend itself against competitors, not by fighting country by country, but perhaps choosing to retaliate against an aggressive move by a competitor in one country by counter attacking in another.

These considerations are unlikely to weigh so heavily with NGOs though we have seen Africa Now pulling out of certain countries as better resourced NGOs move in. For employees of firms the necessity to maximise profits is possibly so taken for granted that it is easy for them to acknowledge the forces they must utilise or contend with in producing that profit; but for employees of NGOs “need” may be so paramount that a dispassionate look at the forces governing the selection of which needs to meet is not easy to make. This may lead to the concept that the NGO works wherever the need is greatest; which was often the initial thoughts of those interviewed in the case studies. This thought may in turn, however, preclude in depth analysis of the forces affecting decisions on the deployment of scarce resources.

This may happen in the same way that companies can be said to be in the business of meeting customers needs. Yip's warning is that if these needs are met country by country without a global strategy then the company will fall prey to its globalised competitors who have paid attention to the drivers. Similarly if NGOs meet need country by country they may not be so effective as NGOs who operate within a strategy set from a global perspective; which considers and takes account of possible future changes in its drivers.

5.11 Conclusions

For certain NGOs some drivers play a much larger part than others. This may, in part, be because of their relationship to need, either in its creation or in its solution. The globalisation of firms is now considered to be affecting, or indeed creating, need which concerns NGOs e.g. the use of so-called sweatshops in Asia by heavily branded Western clothes manufacturers. At times the drivers may open the way for NGOs to address need, e.g. in the case of the opening up of Eastern Europe. In this way the effect of drivers on NGO expansion may be a secondary one via their effect on the needs to NGOs seek to meet.

The driver with the highest influence amongst nearly all NGOs is the drive to "meet programme need overseas". Eleven other individual drivers are rated as of high or very high influence by over 20% of NGOs, though only the marketing drivers as a block score even medium influence and that average is inflated because it includes "meeting programme needs overseas"

The case studies support and elaborate these findings. They show that changes in local conditions (which could be termed localised drivers) affected the slowest organisations more than the fastest e.g. internal country changes affecting Africa Now or partner difficulties affecting Karuna. The fastest organisations were perhaps more able to take advantage of more major changes such as the opening up of Eastern Europe (having the "ability to operate" through access to funds) though in this case neither organisation

appears to have handled the change particularly successfully in terms of growth and meeting needs.

Some drivers appear to play an enabling role either internally or externally; which may have a pervasive influence on NGO internationalisation. For example, IT was a key enabler for many organisations and its presence is perhaps best summed up in the quote "IT imposed itself". E-mail etc was felt by all to assist with internationalisation but not to drive it in any forceful sense. Other drivers create the "ability to operate" mentioned above, for example, political changes may open a country up to NGO involvement. Some drivers may be both internal and external such as the ability to raise sufficient funds; which may depend on their external availability as well as internal skills.

The responses to questions asking about "key steps" and "external events" begin to map the territory in more depth pointing towards a range of external and internal factors, including some new factors "policy formation", securing funding", "the availability of partners" and "leadership push". These were largely supported by the case studies, which, whilst denying the effect of blocks of drivers and supporting the primacy of "need" as the key driver, also confirmed the importance of many of the drivers selected by NGOs in the survey.

The following chapter considers the stages that NGOs may pass through during their internationalisation.

CHAPTER 6

Proposition II: Do NGO's take similar steps to companies?

6.1 Introduction

This chapter is divided into four sections. After the introduction, Section 6.2 looks at the results of the survey analysis comparing Ohmae's suggested route for companies with that reported by the NGOs surveyed, section 6.3 considers the case study data from four NGOs of different sizes and speeds of development and section 6.4 considers the results of the survey and the case studies together before detailing the conclusions.

Chapter 3 outlined Ohmae's model of the stage theory of the international development of firms, which sets out five stages that firms may pass through as they internationalise. These are:

1. Exports via agents.
2. Establishment of a sales subsidiary.
3. Establishment of foreign production.
4. Complete insiderisation. (The establishment of full "insider" positions in key national markets. Often replicating a complete business system).
5. True globalisation. (A state characterised by globally shared values, extensive networking and common policies and branding).

From this the second proposition was developed which states that, "NGOs follow a route similar to the stage theory of the international development of firms outlined by Kenichi Ohmae".

These stages were operationalised for NGOs, during the pilot study, as set out below. This process is outlined in chapter 4. In developing his model, Ohmae drew no distinction between manufacturing and service companies so it is reasonable to assume that NGOs (which are organisations that deliver services rather than manufacturing products though, of course, classically not for a profit) might follow similar stages. As discussed in chapter 3, one key characteristic often shared by service companies and NGOs is asymmetry of information in that both types of organisations may have information and knowledge to impart, which cannot be otherwise accessed by the recipient. A key difference however, which should be borne in mind during the following discussion is due to firms charging for their services (which NGOs usually offer freely or for no profit) and raising their funds instead through fundraising techniques separate from their service delivery.

The list below shows how Ohmae's five stages were operationalised so that the equivalent or similar stages for NGOs could be discussed.

Ohmae's stages operationalised for NGOs

1. A Supporters living overseas
2. B Partner organisations developed overseas or C Branches set up overseas
3. D Local fundraising developed overseas
4. E Overseas branches create own policy
5. F Headquarters regains brand and policy matters

Three further 'stages' were added to meet the special circumstances of NGOs highlighted in the pilot study. This led to the identification of the items, which are discussed in Chapter 4.

These were:

- G 'Temporary' offices set up overseas to meet local need or develop a programme
- H Central unit set up to co-ordinate or develop a federation
- I Funds sent overseas to meet a local need

The case study interviewees felt that the description of NGO stages, listed above, were appropriate and a reasonable substitute for Ohmae's stages. This gave an additional check to the process of translation undertaken during the pilot stage. The case studies gave time for discussion on the stages; and all those interviewed felt that the stages in the questionnaire covered those their NGO had taken or were likely to be taken by other NGOs.

Items B and C refer to branches and partners respectively. They can be thought of as the same for purposes of this comparison because the establishment of either of them is the equivalent of setting up a sales subsidiary so long as the overseas unit is open to local support and income. That brings both of them within the same stage of development. B and C are merged in the analysis that follows. Some organisations have both branches and partners; but for purposes of comparison it does not matter if branches are set up before partners are established or vice versa

Item H occurs when a set of NGOs working in different countries, but in the same field, becomes a Federation and are managed or supported by a federal headquarters. This happened, for example, with the various multiple sclerosis societies around the world who joined together and formed Multiple Sclerosis International, which as a consequence became responsible for distributing research and managing policy for the whole movement. This adds a situation not covered by Ohmae's model.

The firms equivalent for this could be the merger, take-over, another process of acquisition or the setting up of a strategic alliance with a set of appropriate firms in various countries. Within Ohmae's analysis this is not a distinct stage, but is a possible way of achieving (or part of a strategy for achieving) stages two or three above or a way of expanding at stages four or five.

Stages G & I were mentioned as activities in the pilot study and therefore included so that respondents could note them separately if they wished. Otherwise the temptation would have been to include them under one of the other headings, which would have been inappropriate. See discussion Chapter 4.

The equivalent of Ohmae's five stages for NGOs would then be A, B/C, D, E, F in that order. Table 6.2 below sets out the stages, reported in the questionnaire returns from NGOs, using the notation for each stage set out above. The stages are set out in historical order from left to right. The date given for the first overseas branch etc to be formed is given in the far right hand column.

6.2 Analysing the Survey Responses

Table 6.1 shows how the respondents saw the development of their organisation in terms of the stages. It also gives the date the first branch was formed so that the development of older and newer internationalising NGOs can be compared.

Table 6.1 NGOs International Development by Stages

	Stage I	Stage II	Stage III	Stage IV	Stage V	Date of first branch
Sightsaver	A	D				1950
Cheshire H.	A	B	E			1955
Wateraid	C/B					1981
Christian Aid	B	F				1940
IPPF	H	B	F			1953
Christ Inter	B	D				1946
Befriend-ers	A	C	E	B		1974
Brit-Tanz	A	C/B	D			1973
Gordon Bar.	A	C	E			1968
Karuna Trust	B	D				1980
One World	B					1990
Africa Now	C	D				1984
War on Want	B/C	D	E	A		1989
Agha Khan F.	A	B/C	D			1978
France Libre	B	A				1986
Caritas Eur.	B/C	D				1950
MinRights G.	B/C	D				1996
UNICEF	D					1946
Greenpeace	A	C	D			1972
BibleSoc.	A	B	D	E	F	1946
WWF	C	E	F			1961
AMREF	B/C	D				1957
HTA	B/C	D	E			1961
MultScler	H	B	E	D		1948

Most of the NGO's responding to the survey followed at least two steps in the order suggested by the adapted model i.e. 20 out of 24 NGOs. Less than half, however, passed through only 2 stages. Some jumped a stage and some returned to a previous stage. This was similar to the behaviour of some firms, which led to the criticisms of Ohmae's model discussed in Chapter 3. In particular:

1. The only NGO to follow all the equivalent stages in order (AB/CDEF) is the Bible Society.
2. The median number of stages is 2.
3. Nearly half (11 of 24) NGOs pass through only 2 stages.
4. In only one in six (4 of 24) NGOs is the direction of the stages different from Ohmae's stages in any particular.
5. The latter stage 'F' is reached by only 4 NGOs.
6. Four NGOs missed out a stage (not counting those which missed the first or last stage).
7. Four NGOs as their last stage reverted to an earlier one ie went backwards.

Though NGOs are following at least some part of the path set out by Ohmae, and tend to take the stages in the order that Ohmae suggests (in 37 out of 41 steps) whilst maintaining that order (again in 37 out of 41 steps), there is a strong possibility that they may not reach stage 5 (only four did so), or start from stage A (six NGOs).

There is also a tendency not to pass through many of the stages particularly among older NGOs, with nearly half the NGOs having gone through only two stages in their international development. Those NGOs whose first branch or partnership was begun in the 1940s or 1950s have on average completed 2.6 and 2.2 stages respectively but those begun during the 1960s and 1970s have all been through 3 stages. Those set up in the 1980s have been through 2.4 on average and the two from the 1990s have been through 1.5.

This may indicate that the newer NGOs formed in the 60s and 70s are developing faster than their earlier counterparts but those who started overseas development in the 80s and 90s are still too young to have passed through many distinct stages. It may be that NGOs set up in the 1940s and 50s were orientated first towards European reconstruction and secondly towards some ex-colonies; but those NGOs set up in the 60s and 70s may have had a greater world view seeking to solve problems that affected more countries further from Europe.

That "newer" firms develop faster was also a finding of Johanson and Wiedersheim-Paul (1975) who developed the Uppsala Model, which was the basis on which Ohmae's model was built. It remains to be seen if the complexities of organisation and environment will now begin to affect NGOs leading them into the more complex routes which McKiernan (1992) finds companies adopting.

The above findings would suggest that NGOs do not conform entirely to the stages suggested by Ohmae for the international development of firms. This is similar to the findings on the behaviour of firms (see Chapter 3). Buckley et al (1979) found firms often jumped stages. Clark & Mallory (1992) too found several routes taken by UK firms to set up overseas production facilities. McKiernan (1992) found the stage theories too simplistic, but allowed they may be applicable in the era before the complexities of company internationalisation in the 1990s. It may be that NGOs, being less complex than modern companies have, to some extent, inhabited that simpler space and may continue to take a less complicated route.

6.2.1 Survey Summary

There was qualified support for the proposition. The majority of NGOs were found to follow some of the stages in order and to keep to that order, though only a quarter started with the first stage and some NGOs jumped stages, or returned to previous stages with only two reporting that they had reached the last stage.

Also, the concept of fairly distinct stages and indeed the equivalent stages for NGOs outlined above are supported by the survey. Likewise the direction of the route is supported though it is not unidirectional; and as Buckley et al (1979) found with firms, some stages are missed and occasionally reversion is made to an earlier stage. This indicates that some stages may be transitional rather than an irrevocable step. Like firms, very few NGOs have yet reached the final stage of "true globalisation".

The number of steps taken was far fewer than the Ohmae's model would suppose with half the NGOs having only taken two steps. Though Ohmae puts forward the model as a suggested route describing certain stages, which firms may be advised to take (especially in regard to the last stage where it attempts to become normative), rather than a blueprint which firms will necessarily have taken. To fit NGOs, the model would need to be more flexible in allowing for NGOs to miss stages, revert to earlier stages and occasionally reverse direction.

It would also be useful for any model of NGO development to incorporate the federation; whereby an early stage is for individual organisations, working in several different countries, to combine and create an international headquarters. This headquarters may then begin to develop its internationalisation in the same way as other types of NGO, by setting up further units in new countries i.e. by creating new branches and/or partners. It is then always possible for a Federation to face Ohmae's stage 4 difficulties and perhaps to reach stage 5.

That only two NGOs report reaching the final stage in Ohmae's model does not detract from the similarities between company and NGO development. Ohmae believed that very few companies had reached the final stage indeed it was more of a goal that he suggested they should aim for rather than an inevitable stage in a set process. Reducing Ohmae's ideas to a five stage model is a simplification, especially in the final stage where he saw the companies held together less by adherence to locations and more by empathy with the company itself and its business ethos. In this stage, the headquarters becomes less

influential than the model and its NGO equivalent may suggest; though it does regain control of policy and brand, there is also a much closer working bond between different country branches. Ohmae's acknowledgement that few corporates worked liked this indicates that NGOs should not be expected to be at this stage in any numbers.

A stage model for NGOs would need to take into consideration that some NGOs' internationalisation starts with supporters overseas who are financial contributors and some directly with the setting up of branches or partnerships. Others still will start by forming a Federation. All NGOs surveyed, however, reached the stage of having either branches or partners overseas even if their routes differed. Two thirds may then develop local fundraising reaching the equivalent stage of "glocalisation" or foreign production sold locally. The theory would also need to take into account that only a few NGOs go on to their equivalent of the stage Ohmae calls insiderisation and even fewer reach the equivalent of his last stage.

Taking the phrases used in the questionnaire and the above results, a stage theory for NGOs can be set out still retaining the pattern of five stages:

1. Supporters living overseas and perhaps making donations from those countries to the home NGO. These supporters may request the NGO to develop in their country.
- 2a Partners or branches being set up overseas or
- 2b a federal structure created combining existing overseas structures.
3. Local fundraising by those structures taking place.
4. These structures creating their own policy etc.

5. The headquarters asserting its ownership of overall policy and brand issues.

The caveats on these stages being that the first stage may be skipped or possibly not noticed and that NGOs appear to take a long time to reach the latter stages, possibly decades from the formation of their first ranch - see table 6.0. The first stage may also be the formation of a federation by several overseas organisations. Federations would start at 2b and then may continue as any other organisation.

The case studies were then used to consider these stages in more detail, examining this process of change as it was taken by four NGOs. This was undertaken through interviews with staff who were knowledgeable about the internationalisation of that NGO. Their comments were checked against other source material, such as their NGO's documentation, including annual reports, strategy documents etc. as far as possible. This material was also a source of additional information. These NGOs individual experiences provided a set of comments on the theory from the perspective of two large, well-established, organisations and two much smaller NGOs. The case studies also gave the opportunity to consider the process of how and why some organisations move from stage to stage, rather than just listing the stages they reach or pass through. They also explain why these NGOs have, in some cases, differed from the routes suggested by the adapted version of Ohmae's model.

6.3 The Case Studies

The stages the four case studies reached or passed through are discussed in turn below. A summary is then made, and the results compared with the results of the survey. The four

cases were selected to give comparisons between large NGOs who had internationalised rapidly and smaller NGOs that were much slower. They included a federation, the International Planned Parenthood Federation (IPPF) to take this type of NGO structure into account in more detail. The other large NGO was Leonard Cheshire International, and the two smaller the Karuna Trust and Africa Now.

6.3.1 Karuna Trust

Karuna shows a close approximation to a direct following of the adapted stages of development. In response to the survey, the Director reported that the organisation took steps B and D. That is forming partners overseas and raising funds locally. In discussion with the International Fundraiser a more complex picture was apparent which is discussed below. This indicated that the stages involved were A, B, D and then a move to regain authority and re-establish good practice though this was a one-off incident it resembled the stage of regaining control over policy and branding.

The first stage was a request from supporters living overseas. In Karuna's case this was the Friends of the Western Buddhist Order living in India. They asked friends of theirs in the UK Buddhist community to help them work with a community of low caste Indians who had converted to Buddhism. It was set up in the UK to meet that need and did not already carry out any charitable activity. "Karuna was originally established as Aid to India with grants being made for programmes in India. This was soon followed by the hiring and management of social workers administered by the Indian half of Karuna." (International Fundraiser, Karuna Trust). So, in this case there was no pre-existing charity. It was the

request to Buddhists in the UK which began the process of internationalisation rather than donations being made to an existing organisation or requests for help being sent to such an NGO. This gives a slight variation on the first stage for NGOs. That is, an NGO may be created by individuals in response to demands from overseas made by intermediaries. In this case, these individuals were part of a UK organisation that facilitated the creation of an NGO.

The second step was more conventional. Aid to India rapidly developed one key partner organisation in India which years later led to others. Once the initial new partners had been found "knowledge of how to do this seemed to act as an accelerator" (International Fundraiser). So that, Aid for India (which had started with the limited remit of working with one group of people in India who then formed a partner organisation) found it had the knowledge and finances to help others and began a pattern of responding to need in new areas of India by forming relationships with partner organisations who often undertook very similar activities. These partners were always those carrying out activities that fitted within the Buddhist ethics of Karuna and part of the knowledge that acted as an accelerator was its ability to work effectively with such Buddhist organisations or to create them to carry out selected charitable activity. For example, Kauna now supports 18 hostels in 8 of the Indian States. These hostels have rooms that can be used for the transmission of Buddhist teaching.

This idea of an "accelerator" fits with two of three adjustments to Ohmae's theory suggested by Johanson and Valhine (1990, p11-24). These are that "previous foreign

experience is generalisable" and that "if foreign markets are stable and homogenous then learning about them is easier" (their other suggestion was that firms with large resources take larger steps). The first adjustment is illustrated by the ease with which Karuna could expand in India once it had mastered working with its first partner. The second adjustment is illustrated by the stability and homogeneity inherent in the Buddhist order of each partner; which meant Karuna was quite familiar with the mission and methods of its new partners, making working with them easier than it would have been with non-Buddhist organisations.

Karuna is one of the few organisations of those surveyed that reports having to regain control over one of their partners. This, however, was not an attempt to regain brand and policy control, but to re-establish control over efficient use of funds and instigate more professional management practices. This sheds some light on the practical difficulties NGOs face operating at a distance, but there is not enough information to suggest it represents a distinct NGO stage and it is likely firms face similar situations.

This development appears to have acted as a block to the stage of local fundraising (stage D above), which may be reached in time. Until now, local fundraising by partners has not been set up in India on a systematic basis though this is currently under active consideration. The International Fundraiser reports the shelving of plans to instigate this activity until they could be assured of the good management of all funds raised. "Karuna has had to regain some control over its Indian partner organisation though this is within the Buddhist institution of Sanga (or joint community). It is now in a consolidation phase."

(International Fundraiser, Karuna). Coincidentally, Karuna now finds it harder to raise funds in the UK. This is partly due to the door-to-door method used, which is no longer seen as such an integral part of Western Buddhist practice.

Karuna shows how a relatively small NGO can stop at a stage (perhaps temporarily) on its route through internationalisation, which may help to explain the large number of NGOs that only reach two stages. In Karuna's case this pause was due mainly to lack of funds. Its origins also help to illustrate the rich variety of actual events, which can be present in a single stage such as their initial stage.

6.3.2 Africa Now

Africa Now passed through three stages with requests to work overseas, the funding of local organisations (partners) and then the formation of branches overseas with paid staff. The second stage, however, did not lead easily to the third. Instead it involved some retreat as the number of projects and partners was cut back before expansion resumed. Again, this gives some insight into the reasons for the time taken by NGOs in moving between stages or remaining at a particular stage. Here the process was halted due to the difficulties in managing the overseas partners and competition by larger NGOs, which rendered some projects un-necessary

Like Karuna, it appears that the first stage was development work, in this case in Kenya, in 1981, arising from requests from that country. "It is, of course, possible that the requests from Kenya were generated by the founder's knowledge of development and relevant

organisations in that country", (Director, Africa Now). The founder, Shala Kaussari, an MBA of Wharton Business School had lived in Kenya and was familiar with its development needs to which she wished to apply business principles. She was, however, not available to clarify details of the first stage. The key role paid by founders or other leading individuals, such as the first director also occurs in the case study of Leonard Cheshire, where the founder used his father's overseas contacts to find appropriate partners. See Chapter 5 for an earlier discussion of the role of founders as drivers of internationalisation and Chapter 8 where this theme is finally developed.

The second stage was work with "partners" in several countries, who were basically the recipients of grants. The number of countries grew to seven but had fallen to three by the mid 1990s. Africa Now found its services replicated by much larger NGOs operating in the same countries and withdrew. The number then fell to two as the work was cut back and re-focussed. In these two countries, the third stage was reached, with branch offices being opened which then looked after projects in neighbouring countries. Today four countries have projects in them. The Director reports, "There has been no problems with branches becoming independent or not following policies", which accounts for the limited number of stages this organisation has so far passed through as it precludes the last two stages. Of course, it could probably be argued that the final stage could be reached without the need to retake control of policy and brand issues; but Africa Now is clearly not yet at the stage where a balance needs to be struck between home country, that is UK, policy and local interests.

6.3.3 Leonard Cheshire

In 1955, the first international residential service of Leonard Cheshire was established in Bombay, India. Over the next 46 years, a further 250 services were founded in 53 countries worldwide. Leonard Cheshire covers the first three stages but stops short of the need to regain control over policy and brand because of its well crafted international management procedures. It may well be considered to have jumped to the final, truly global, stage of development as the local partners are fully integrated in a system based on an agreed "charter". So, they can use the international name and services as required, with an appropriate degree of flexibility. Though Leonard Cheshire does not directly monitor and inspect partners they have evolved a "Training and Development" programme which ensures that Partner Homes are well aware of the Charter and understand how it should be implemented in their region (the Charter has been agreed across the organisation as a best practice document rather than imposed from the Centre).

The organisation was well established in the UK before international work began. Like Karuna and possibly Africa Now, the first stage was a call from overseas, though this was not from a donor. In 1955 a Scotsman, living in India, asked Leonard Cheshire to help set up a home in Bombay. This led to other requests in India and then Nigeria. These were often from senior figures in the Judiciary who had been trained by Leonard Cheshire's father. The second stage was local partners being set up using the name Cheshire Homes (there is too little control to call them branches). They were all self-sufficient financially from the start and so passed stage 3 almost immediately. This self-sufficiency was achieved by bringing senior local figures in each country onto the board, whose

responsibility was to raise the necessary funds locally from their colleagues and business contacts.

The complete provision of services on a local basis then put Partner Homes in stage 4 as soon as they were fully operational. At this stage Ohmae believes there is a need to change orientation from local loyalties to stage 5 values where "local loyalties must give way to corporate identity" Ohmae (1994). Partner Homes have always had a high degree of freedom and there is a lot of variety. As Partner Homes are financially self-sufficient it could be argued that central control may be less important. Through the Training and Development Department they are now, however, being encouraged "to live up to the Charter".

This could signal the change to stage 5, where, though headquarters controls worldwide policy and branding, staff loyalty is to the international ethos rather than to headquarters staff or locally. The International Director believes that loyalty is still basically local, but there is a shift towards the Charter and professional standards, as the frame of reference. This may be because these are seen as universal documents for the movement not standards set by Leonard Cheshire International (LCI). Ohmae (1994) claims, that "This step is psychological, a question of values" and could be said to equate to the Partner Homes' staff's gradual shift in loyalty and psychological orientation. "The Charter" is Cheshire Homes' partner agreement, which enshrines much of their official policy and recommended best practice. In 1988, LCI established the International Training Programme. The aim of the programme was to support, through training initiatives, the

work of LC services internationally. The training work originally focussed on skills training for staff. It then widened its scope to include training programmes for service users in vocational training, life skills and employment and volunteer committees in the setting up and management of LC programmes.

Through “training of trainers” locally based trainers were recruited, when the programme was run in the African Region, Far East and Eastern Regions. In 1996 the programme was reviewed. The programme now recruits and resources locally based Training and Development Officers (TDOs) within the regions. They provide advice on developing existing work and supporting newly established projects as well as the wider organisational capacity building that was felt to be need. The programme is now operational in five regions; East & North Africa, Southern Africa, West Africa, Eastern and Far Eastern regions. Limited support for services in the Caribbean, Latin America and Europe is currently implemented from the UK.

In 1999, Leonard Cheshire's strategic development plan was reviewed and new objectives set out with the context of the Charter and its core values.

"Major structural changes within Leonard Cheshire, changes in the external environment, the developing expectations of disabled people and changes in statutory service provision have all made necessary a review of Leonard Cheshire's Strategic Development Plan 1997-2001. The new Strategic Objectives 2000-2003 which have emerged from this work have been derived from the former plans and developed in the context of our unchanged Leonard Cheshire Charter and our core values. These Objectives provide the basis from which all management plans and operating objectives will be derived over the coming three years." Chairman, Leonard Cheshire, (1999, intro).

The impact of this on development work has been to strengthen the role of the International Training and Development programme, which is the interface between Leonard Cheshire's UK HQ and its overseas partners. However, this role is not one of direct management but of assistance within the Charter and core value system.

In the early days the only real point of reference and contact between Cheshire services around the world was Leonard Cheshire, the Founder. Over time the need to establish proper links became clear. A regional structure was introduced in the early 1970s and, in 1998, an international training programme was established. Now the Training and Development Officers take forward the development of regional priorities and set out a programme of implementation, in consultation with the regional councils.

"The value of having locally based training and development staff who are nationals of the region is obvious and during 2001 we are planning to appoint a further three Training and Development Officers for the Caribbean, Central America and South America regions." Compass Magazine, 2001.

The training is adapted closely to local conditions and the result could be seen as a stage four situation; though it might be more correct to consider stage four inherent in the way their overseas partners were originally constituted.

"There has been little problem with branches setting up their own policy. Though occasionally a partner may decide to stop being a Cheshire Home for example in Eritrea" (International Director, Leonard Cheshire). The way that the training and Charter are already respectful of, and adapted to, local conditions has probably lessened the chance of partners deciding to develop their own policy. This may have made a move to stage five

unnecessary though the degree of control by the LCI may not meet Ohmae's expectations for commercial companies.

Yip (1995, p.xiii) in his opening remarks of "Total Global Strategy" argues that companies need a globalisation strategy and "such a globalization strategy seeks to manage multinational businesses on an integrated, worldwide basis, not as a loosely knit federation of subsidiaries. But the extent of integration needed varies by industry and company situation"; which is also not far from a description of Ohmae's fifth stage in its full sense. It is possible that Leonard Cheshire's organisational Development (OD) programme is in effect such a tailored integration policy whether wittingly or unwittingly (Yip and Ohmae regarded their models as applying both to manufacturing and service industries). The degree of control is however a far cry from that expected by Yip as he sees the integrated model meeting the companies global expectations and Leonard Cheshire still retains the "glocalised" model of primarily meeting local needs albeit in increasingly uniform ways. NGOs may differ from companies in this respect because their primary orientation is to meet local needs and not raise profits for shareholders. So, their success in devolving responsibility to partners may be seen in a positive light, in that it recognises the stage that the partner may have reached in developing an effective organisation, whereas a company may feel its managers are 'losing control' of a productive asset.

Leonard Cheshire in this respect has passed much further along the stages of Ohmae's model than the smaller organisations the Karuna Trust and Africa Now.

6.3.4 IPPF

The development of International Planned Parenthood Federation (IPPF) does not fit easily into Ohmae's stages though there is some similarity. The initial drive came from overseas though it was not from or to an established home country funder. In 1953 the Fourth International Conference of National Family Planning Associations (FPAs) in Stockholm officially ratified the creation of IPPF.

"IPPF is a Federation begun by the first eight national family planning associations to be formed. The early development of new associations came from individuals wishing to set up national associations in their own countries". (Director, Resource and Programme Development, IPPF).

It could therefore be said that the "partner organisations" (the FPAs) created the "home country" NGO (IPPF); which then rapidly increased the number of partner organisations and began to institutionalise policies, practices and programmes which it retains. This may represent a parallel route in international development covering the ground of stages one, two and three. Development from this new first step may then proceed to stages four and five.

Development is always done under the auspices of the Regional Councils. After 1965 they decided that the strongest push for development must be in Africa because it was the least developed part of the world in terms of FPAs. In 1963 Tunisia had become the first Arab or African government to commit itself to family planning on a national scale but it would not be until 1971 before there were enough FP institutions on the ground to hold an African Regional Council. In 1966 for example only Kenya established a national family planning body. There are now, however, a large number of associations covering most of

Africa and the regional office currently employs some 66 staff. This is in contrast to Europe in 1989 when there were only 3 staff. The development of FPAs in Eastern Europe has not been easy but the Russian association is very strong. According to the Director Resource and Programme Development, IPPF, “the Government has said that without the association it would not have been able to meet its targets for reproductive health”.

This reversed stage one and two so that the stage two organisations, the partners, created the organisation that the model supposed pre-existed stage one. Once, however, this was done it became a very effective force for the creation of new international partners that being an integral part of its mission in the same way as an international business franchise such as The Body Shop creates new franchisees to extend its business though here the partners largely control the centre. There is little deviation from official policy by these partners who are currently clustered into powerful Regional Councils. As the FPAs that began the Federation were already self-sufficient, raising their own funds in their own countries, the Federation could be said to have started at stage three though newer FPAs begun by the Federation have occasionally struggled they have all been set up to raise funds locally.

FPAs elect representatives to the Regional Councils who approve policies and strategies set out by IPPF through the Member's Assembly. The formal control mechanisms consist of this bottom-up approach combined with a centrally determined strategy (currently Vision 2000) which contains lines of activity (both service and advocacy) and goals. To shorten a long and complex planning and implementation process, FPAs. Regional

Councils and the Central Office select their compendium of activities, which then become Programmes of Action to implement Vision 2000. These are monitored and assessed to ensure they meet the agreed goals. This was also the case with previous plans and ensures that policy is respected as well as developmental goals.

"This strategic thinking, planning and management process must ensure that IPPF and all its FPA members can be held accountable, individually and collectively, for being THE conscience and THE leader of the family planning movement in the NGO sector" IPPF, Vision 2000, Strategic Plan (1992). The Plan then sets 6 challenges backed by clear objectives and activities designed to reach those objectives. These activities are the subject of continuous monitoring and assessment. The Regional Councils uphold this process and can discipline local FPAs with dismissal from representation on the Council. This representation is seen as worthwhile and FPAs generally try to meet the Council's requests.

This process has avoided the stage four problems because, though the FPAs are adapted to their own local markets they are unlikely to also rebel against the overall policies and practices, due to their input and control over the decision making process which establishes those policies and practices.

Indeed, the argument could be made that IPPF (as well as Leonard Cheshire International) had reached the last stage of Ohmae's stages, which is true globalisation. This is because Ohmae saw that last stage as a situation, not too dissimilar to the above, in which local branches were heavily integrated into local culture but where the headquarters retained

brand and overall policy control. In IPPF the FPAs are wholly integrated locally but IPPF itself controls the brand (and brand image) whilst originating the overall policies; which, once agreed by the Member's Assembly, then set the pattern of activities of the partner FPAs. Ohmae's wider belief that the final stage he advocated was perhaps typified by a shared set of values rather than a national or "looking to the centre" approach is hard to measure but the degree to which universal policies are adopted and accepted indicates this is likely to be true of IPPF. The Federation model could perhaps be said to be the most likely candidate to reach the equivalent stage five before others.

The pattern of FPA establishment is firstly for advocacy work to take place dealing with the empowerment of women etc; then to develop more in depth understanding and finally to establish clinics in the main cities. "There has been some need to rein in associations that have developed different patterns of working but they are locked into a strong structure so that errors can usually be dealt with locally" (Director, Resource and Programme Development). The strong structure referred to is the system of powerful Regional Councils mentioned above.

This Director also gave the following examples saying that most of these problems are in the nature of structures which are in practice undemocratic e.g. feudal management systems in the Sudan. There has also been some resistance to fixed tenures for staff and the use of volunteers in the structures. Associations are also not allowed to employ more than one person from a family (which brings problems in Mauritius where there are no families only tribes and there are only 15 tribes).

IPPF was the only federation of the four case studies; and was well funded from the start by the local FPAs that set it up, and who seemed to have helped it to develop new partner FPAs faster than the other case studies. This gives a new first stage for NGOs, which does not appear to have a similarity to the development of firms. After this stage NGO federations may proceed to stages four or five like other NGOs. The process undertaken by IPPF does not appear to have held back the speed of its international development; despite its structure having been, to some extent, organised from the bottom up.

6.4 Comparison of Case Study Findings

There is some similarity in the first stages between these organisations, though none internationalised due to overseas donors suggestions (as the adapted Ohmae model would suggest). That the requests came from supporters who may not have been donors does not stop their first step from being located in stage one, rather it indicates the range of factors that can be involved in the first step. Karuna and IPPF were set up following requests from overseas. Karuna's request, however, came from individuals and IPPF's from existing institutions. Cheshire Homes was already in existence, but Africa Now was formed by its founder specifically as a development organisation and the first requests for assistance apparently came from an organisation(s) in Kenya. The key factors in stage one for these organisations was:

1. that need existed overseas,
2. that an organisation or group of people existed in the UK who could help meet that need,

3. that an individual overseas (or in the UK possibly the Founder) knew both the need and the group to meet that need whilst being in a position to ask for help,
4. that the request was made.

In the early days all organisations were strongly influenced by key individuals usually the individuals who founded the organisations, though Wilson (1992) cautions that it is important not to look solely at the effect of individuals in analysing change. Only IPPF, as a federation, did not follow this pattern and even then there are some suggestions in their reports that key individuals shaped the movement in its early days. Later, formalised institutional policies became the order of the day; even with agreement by consensus in Karuna (which replaced the individual dynamic).

These dynamic founders could be called key change agents or leaders and it appears that they play a very significant role, at least in stage one, of the steps involved in internationalisation. They appear to answer a request from someone associated with them or their family and then transfer their skills or methods of working to a new country in order to meet an obvious need. A personal request is often a key factor in stage one.

In this process, however, there is a second stage at which the organisation limits the ability of any one individual to make such key decisions (at least formally); by setting up strategies, procedures and aims for the international programme e.g. Leonard Cheshire concentrating on organisation development through training teams dealing with pre selected parts of the world. This is a move from entrepreneurial methods of development to

more formalised methods as the impulse of individual change agents such as the founder give way to written policies and practices, which may, for example, be established by senior management teams or Board decisions.

The formation of branches or partners was certainly an early stage for each NGO; but the two fast internationalising organisations moved further along the stages, and could both be said to have reached the last stage of Ohmae's model. This indicates that there may be a degree of logical necessity to move from stage to stage as a method of handling the problems of growth whilst retaining control over the expanding enterprise. The case studies revealed no new stages apart from the differences exhibited by IPPF. In this case the organisations that were to become partners came into existence before the home organisation. This may be a parallel route whereby several organisations with similar aims, but in different countries, come together to form a federation which may be a unique process for NGOs. It is, perhaps, a way for a movement to internationalise. By its nature it is always the first step, because before it is formed there is no entity to study; thereafter it may follow one or more of the usual stages. It does, however, presuppose certain conditions; which are the existence of suitable organisations to become partners and a key partner to take the role of Federation headquarters or the ability of the partners to form and support such an organisation. This is distinct from the commercial process of acquisitions and mergers by which companies can grow though it could be likened to a peaceful international merger, of similar independent companies in separate countries, where one partner becomes the dominant entity and sets the policy and branding for the whole organisation.

Local fundraising was not well established by the slowest NGOs, but was part and parcel of the development of the fastest. Limited problems with partners was experienced by organisations though none of them found this serious; for example, Karuna had to re-establish its authority over its primary branch and re-set some policies.

Looking at Ohmae's final stage, which he calls the truly globalised firm, it can be seen that the largest and fastest organisations have models which are close to what he calls "truly globalised" entities; though the IPPF federation model differs from Leonard Cheshire in some respects, it is ultimately controlled by the local partners (FPAs). Interestingly, IPPF and Leonard Cheshire's political structure is quite different but, allowing for the differences in their size, the nature of their operations is comparable.

IPPF is a federation where power lies with the local FPAs expressed through Regional Councils but Leonard Cheshire is a sovereign entity and, in the end, in charge of its own actions. IPPF may, now it is established, be compared to a company franchise scheme as it opens new FPAs who "buy in" to the policies and use the branding to sell their services locally. It would, however, be a company in which the franchisees have a large say over the establishment and development of policy and brand issues. Leonard Cheshire's partners do not have any control over Leonard Cheshire in the formal sense that FPAs do over IPPF; but they do have a "voice" in that Leonard Cheshire International is highly consultative and works closely with nine Regional Councils. However, both organisations, have the same "loose, tight" fit; which enables them to control brand and overall policy

leaving their local branches or partners free to integrate as fully as possible (within that framework) with the local culture.

"IPPF's main strength is that it is a grassroots federation of voluntary and autonomous FPAs who, while operating within their own cultural, social, and legal setting, are linked to the Federation through common standards and objectives. The policies of the Federation are also formed and guided by volunteers, working through a democratic structure of national, regional and international committees, thus enabling local concerns to be reflected in IPPF international policies." (IPPF 1997, p1).

These methods of control are more formalised than those of the dynamic leader who may have begun internationalisation. They could be the process by which some NGOs may move from stage four to stage five in the adapted Ohmae model, and they may represent an important method for NGOs to become the kind of globalised organisation that would be recognised by both Ohmae and Yip.

It must be said that neither IPPS nor Leonard Cheshire currently recognise themselves as being in the fifth stage; though that may be because it is too simplistically explained in the questionnaire. It may also be that NGOs, as we see in the cases, often choose to exercise quite loose control over partners or branches by design; which contrasts with the usual company structure where there is usually either direct ownership (i.e. direct managerial control) or a clear legal basis for the relationship between partners or networks. This may make moving from step 4 to 5 much harder for companies, and perhaps more distinct, as it represents a move to a different value system which to some extent may already be there in NGO thinking. This may make stage five rather different for NGOs as they are often structured on an associational base and therefore the move may be easier or not seem to be required.

For the fastest organisations international development had speeded up greatly during a previous period. For example, Family Planning Associations had proliferated in the post world war period as social change and affluence grew and Leonard Cheshire too had opened up in country after country assisting local organisations to open homes for the disabled. It had then gradually both slowed its growth to consolidate and changed direction to look at other social provision for the disabled.

Both the fastest organisations are now in periods of slow but steady growth. The slowest are still seeking expansion (driven by perceived need) but hobbled by their lack of ability to raise adequate funds. The ability to raise funds nationally is seen to be determined by both the expertise available and the market conditions. Though it was not possible to judge the expertise available, all the case studies reported difficulties of various sorts in raising funds in and from the UK. Raising funds locally seems to depend on staff motivation, adequate resources to engage in this activity (whether time or money) and knowledge of the correct techniques to apply.

The rate of growth, however, is seen to be primarily determined by the availability of funds though the fastest organisations have, at some stage in their growth, stopped for consolidation taken stock and moved more towards improving the sustainability and performance of their partners or branches. The key block to sustained growth, regardless of size, is the lack of ability to secure resources and the key accelerator the availability of funds albeit moderated at the above stages where rapid growth may not be the goal. The

ability to raise funds, and therefore expand progressing through the steps, is not said to be related to the depth of need; because funds will not automatically flow to meet need however great that need might appear.

Despite criticism of stage theories, Craig (1996) writes that there are three tools and three stages of growth for companies (see Chapter 2). This simpler scheme may have some relevance for NGOs in the light of the above findings. The three tools are:

1. Information system technology
2. Administrative structures
3. Resource deployment

All four NGOs use up to date information system technology and have appropriate administrative structures. IPPF and Leonard Cheshire as much larger organisations have more elaborate structures for managing their worldwide operations. The deployment of resources, usually those of information and knowledge, is often packaged into codes of practice or given as research findings. The process of dissemination too cements the international network e.g. through Leonard Cheshire's Training & Development Teams and IPPF's distribution of campaign materials and policy creation and enforcement.

The three stages are:

1. Learning, selecting an area to compete and leveraging a core competence.

2. Building a position in the markets, establishing local pressure with new products adapted to local taste and preference.
3. Integrate and co-ordinate across national markets emphasising leadership.

Competition was not given by NGOs as a reason to internationalise and indeed Africa Now withdrew from its earlier projects when larger NGOs began to undertake similar work in that region. The initial area for internationalisation, as we have seen, is often selected by chance though later when internationalisation is policy driven careful selection is the way the case studies proceeded.

As a final, stage the integration and co-ordination of policy certainly takes place in NGOs, as again illustrated by IPPF and Leonard Cheshire; but leadership is downplayed with consultation paramount even leadership, in the sense of taking the largest market share, is likely to give way to avoidance of outright competition again as illustrated by Africa Now.

Craig finds his second stage the hardest as it involves diverse ethical and legal standards. This was not reported as a problem by the NGOs surveyed perhaps because they work through local partners and are therefore conscious of the possible problems from the beginning.

Craig championed the adaptation of products to local market as opposed to Levitt who advocated the development of globally applicable products. The NGOs in the case studies all set out their work under universal codes such as human rights, equal opportunities or

professional conduct yet also adapted to local cultures in the delivery of their services. This local adaptation of "product" delivery within a universal policy structure was also a hallmark (though not the only one) of Ohmae's fifth stage of true globalisation.

6.5 Comparisons and Conclusions

The case studies elaborate and enhance the findings of the survey analysis showing how four organisations moved through the stages to differing degrees. The slower, smaller organisations staying at stage 3 (with their partners raising funds locally) though Karuna had experienced stage 4 type problems. The larger organisations could possibly be considered close to stage 5 as they had close control over their name, logo and policies, but with their partners having a high degree of independence and loyalty to the overall mission and values of the organisation. In the case of IPPF, the federal model showed a parallel route to internationalisation bringing the organisation towards stages four and five.

For stage one the case studies illustrated the survey finding that this stage is often missed but in each case an alternative stage one took place. In no case were there overseas donors who then opened the way for an NGO to develop partners or branches but the cases introduced the element of the founder or early entrepreneur who has been for some organisations critically important in starting the process of international development e.g. at Leonard Cheshire and Africa Now. It also became clear that where stage one was taken in a more conventional way it could be due not just to donations from abroad but also to simple requests from supporters or individuals in the organisations network to start work in a certain country overseas e.g. the requests from Buddhists in India back to fellow

Buddhists in the UK. Both these new forms of stage one indicate knowledge of need in the countries in question; knowledge of a UK organisation or contact person and the ability to communicate this need successfully

In stage two the case studies all showed the setting up of branches or partners and the influence of those partners on subsequent development. In the case of the federation model its partners preceded its creation setting it on a parallel route to internationalisation.

Stage three was followed by all the organisations to some degree; with their branches raising funds from, or in, their own country (in the survey this was done by 15 out of 23 organisations). Here though the largest organisation's branches were all raising most of their income themselves and were self-sufficient soon after starting i.e. Leonard Cheshire Partner Homes were all self-sufficient as were nearly all IPPF's local FPAs though help was often given to start-ups. The case studies show a variety of fundraising techniques being used by branches e.g. trust and foundation applications, fundraising from local individuals and applications to organisations in third countries. As far as the cases were concerned, the implementation of stage three varied from country to country and organisation to organisation.

Stage four was not exclusively confined to the larger organisations with Karuna and to a small extent IPPF mentioning local difficulties. In the survey it was reached by about 25% of organisations, and it may be that many more organisations experience this to some degree. The cases illustrate a variety of problems from Karuna's difficulty with ensuring

local transactions were handled properly to IPPF and Cheshire Homes monitoring and enforcement structures being part of their stated policy because of difficulties in the past. None, however, expressed real concern over loss of control over branding or policies though each organisation had controls without rigid sanctions. This may be because people did not wish to expose their problems or, like Karuna, saw them as one-off issues and not systematic. This may have led to under-reporting of problems.

Stage five in the survey was reached by only four organisations but the case studies show that the picture may be more complex; with organisations close to becoming global entities in the way envisaged by Ohmae though they had not necessarily passed through a stage of having to struggle with their partners for control over brand or policy matters. The latter may be because firms require tighter control over their branches.

As noted above, neither IPPF nor Leonard Cheshire recognised themselves as having reached stage five in the survey. This may form a marked difference to companies with an absence of struggle over branding and policy aided by NGOs use of light management controls. Much of IPPF and Leonard Cheshire's policy is aimed at establishing and developing professional standards agreed within the organisation. This may lead more smoothly than companies into a stage five situation where NGOs staff are more loyal to the professional execution of the "Plan" or "Charter" than they are to the local organisation or the UK headquarters. This is similar to Ohmae's concept of staff who are loyal not to their local branch or headquarters but to the "company" as a non-country specific entity. It may also be that NGOs need exercise less central control as they do not have to answer so

directly to shareholders, though the monitoring and evaluation required by many institutional donors like the EU or UN to medium and large charities (such as IPPF and Leonard Cheshire) may become a similar factor to shareholder pressure.

The case studies revealed a series of reasons why certain organisations had missed some stages. The initial stage of receiving donations from abroad was jumped by Leonard Cheshire, Africa Now and Karuna because the founders had taken the initiative to internationalise before such donations had been received. Bartlett and Ghoshal (1989) give numerous examples of the founder of international firms taking the decision to internationalise and also setting the pattern for the management of that process. The second stage of forming partners or branches was not missed by any of the case studies. This reflects the survey results and is not surprising as the survey was sent to organisations with partners or branches overseas as part of the selection process for international NGOs.

The third stage of developing local fundraising was taken by all four of the case studies. The reasons varied from the independent funding of IPPF branches before the headquarters was set up, and Leonard Cheshire practice of working largely with self-sufficient organisations, to the recognition that lack of funds was the key factor in holding back expansion for Africa Now and Karuna. Eight of the surveyed organisations, however, either did not reach or missed that stage. Five of these had jumped to the stage of overseas branches "creating their own policy" which in two cases led, as Ohmae suggested it might, to the last stage. IPPF as a tightly organised Federation had moved, from overseas branches, directly to centralised control of brand and policy matters. Leonard Cheshire by

contrast had settled at the fourth stage with local partners largely in control of brand and policy matters because that suited their mission of providing services rather than exercising power or leadership over the partners.

6.6 Overall Conclusions

The first point of divergence with the adapted Ohmae model is that NGOs sometimes miss the first stage. This concurs with the criticism of the Ohmae's model by Buckley (1979), which states that firms miss or jump stages and sometimes revert to earlier stages.

The second point of divergence is that the beginning of NGOs overseas development may be begun by an entrepreneurial leader, who organises the first overseas development perhaps linking with an overseas partner. Sometimes the start may also be at the behest of an overseas organisation rather than a financial supporter. This differs from the adapted model, which expects the process to start by donations being received from abroad or a request from overseas supporters.

The case of federations too presents a different or parallel route, with existing organisations in diverse countries coming together to create a headquarters. Thereafter, however, the federation's path may be similar to other NGOs.

After the first stage, as the number of branches and/or partners increases, it is often more formal internal processes that deliberately set out to move the organisation forward through each stage. A strategy is set and policies are evolved to govern and direct the operation.

Like a company, the unit actually carrying out the internationalisation may be an overseas division or a group or single individual within the organisation. The case studies follow the survey in suggesting that most NGO will reach stage three by raising funds locally. They, however, report only limited stage four problems with their overseas partners, which may possibly be due to under-reporting.

It appears that very few NGOs have yet reached the stage of "true globalisation" and this may be more complex than the adapted model suggests. More data is needed to have a fuller understanding of the differences to the adapted model, and to be sure of the process by which these divergences take place. The case studies suggest that the problems of stage four are likely to be less severe than for companies for the same reason that NGOs may be approaching or indeed at stage five. This is due to their inculcation of values based on stated professional standards, which are universal i.e. not seen as located at Headquarters overseas or in local management. The light touch of policy enforcement combined with sensitive local flexibility (IPPF and Leonard Cheshire) appears to be all that is usually necessary to keep branches adhering to policy. Reich (1991) stated that flows of information and knowledge can also be very significant in internationalisation and these NGOs seem to concentrate on that.

Despite these divergences and differences it appears that most NGOs follow the direction suggested by the adapted model most of the time and move through several stages. As McKiernan (1992) noted Ohmae's model is too straightforward to allow for the complexity

and differences that exist in practice; yet NGOs still exhibit a recognisable route through and sometimes around the stages of the adapted model.

In the next chapter the research is reviewed; the findings are summed up and their implications for the management of international NGOs and for the literature are developed.

CHAPTER 7

Summary and Conclusions

7.1 Introduction

This chapter summarises the research undertaken, the resulting findings and discusses their implications for theory and practice. The chapter is divided into six sections. Section 7.1 summarises the background to the research. Section 7.2 looks at the findings and their interpretation with regard to the drivers of international development. Section 7.3 looks at the findings and implications with regard to the stages of international development. Section 7.4 considers the implications for theory, and section 7.5 the practical implication for NGO management, whilst section 7.6 looks at areas for further research.

The aim of the thesis has been to explore the international development of non-governmental organisations (NGOs). The areas investigated were; the driving forces behind international expansion, and the steps taken on the route of that expansion. The results of that investigation, in which both quantitative data from a postal survey and qualitative data from a series of case studies were examined, are summarised below.

7.1.1 Limitations of the Thesis

This research is limited by several factors. At the time the survey was undertaken there were very few appropriate lists of international NGOs, and these did not contain adequate data to be sure the NGOs were truly international i.e. that they had partners and branches overseas. Perhaps as a result the response rate was lower than expected – see Appendix 5

on non-response bias. This particularly affected responses from NGOs outside the UK, especially from the US where 5 out of 6 letters declining to take part suggested they had no partners or branches overseas. This lack of clearly appropriate lists made it difficult to be certain how well the possible universe of NGOs had been covered. There are more lists of international NGOs available in 2004, and they are more comprehensive often giving data more consistently on partners and branches. For example, Europa Publications itself provides much more data about many more organisation (The International Foundation Directory 2004), as does the NCVO in the UK (The Voluntary Agencies Directory 2004). The UN and the EU now also have lists which could be used.

The low response in turn affected the analysis, as the number of NGOs in some sub-sets was too small to allow statistical analysis. For example, in analysing the effect of blocks of drivers on various types of NGO it was not possible to use statistical tests of significance.

In regard to the case studies the main limitations were the depth of analysis possible, the reliance on one key individual and the difficulties in accessing historical records. The number of case studies was limited by the time available. This was not, however, a major limitation as the cases were chosen for theoretical reasons in order to make certain comparisons, and to understand the process of internationalisation in more depth, not to be representative. If the case studies were repeated with more time it would be possible to undertake different analysis as suggested in further research below, however, in this case the comparisons required for the analysis were available. Two of the requested respondents were not available, though knowledgeable substitutes were interviewed

instead. In these cases this did not adversely affect the analysis, but more time could be allowed in future research to ensure all respondents required were physically available.

Triangulation of the responses from the case study was intended to come from comparison of the interview responses, minutes of board meetings where key decisions were taken and from the organisations' own literature or other published matter on the organisation.

During the case studies it became apparent that the area under discussion was often not thoroughly documented. In particular minutes of board meetings, where available, did not contain useful reference to the subject; though some strategy documents, books, annual reports and other papers provided alternatives. Key texts are listed in the bibliography and mentioned in the text and Appendix 8 "Case Study Descriptions".

The lack of triangulation from board papers could perhaps be overcome by taking more time to make formal written requests, backed by an academic institution, and followed up over a period of time with calls and other reminders. Given more time, discussion with other staff and stakeholders may also have helped to provide corroboration.

7.1.2 Background

During the period when this research took place the globalisation of companies rapidly increased, though various market set backs, such as the Asian financial crisis of 1998 and the more recent stock market downturn of 2001, have slowed its progress. This led to an increase in literature focussed on the internationalisation of businesses, but did not lead to any comparable development of the NGO literature on internationalisation.

Taylor (2002) argues that research into what he calls “global civil society” lacks adequate description and interpretive theory, requiring more work on a global basis on its complex nature, networking and dynamic operational developments.

The business literature has now broadened from consideration of national trading to include the management of individual companies e.g. Dunning (1993) charted the progress of these multinationals in the dominance of international trade. Some of the key theories, discussed in the thesis, are those of Vernon's product life cycle (1966) refined by Buckley and Casson (1976); Perlmutter's international orientation (1969); Ronald Coase's transaction cost theory (1937 etc); John Dunning's OLI theory (1993 etc); Peter McKiernan's network theory (1992) and recent work by Sam Craig on stage theory (1996). Also, George Yip's (1995) theory of drivers that provide an impulse for firms to internationalise.

Other researchers, for example, Bartlett & Ghoshal (1989), Dunning (1993) give advice for individual companies in retaining market share in a global economy. Running alongside those are various stage theories, which describe and begin to give some explanation for the phases that may be taken during a firm's internationalisation. Bilkley and Tesar (1977) developed a model with four stages that Kenichi Ohmae (1994) revised into five stages.

There is, however, a dearth of literature on the international development of NGOs apart from the occasional article in specialist sources, which tend to look at the NGO sector in

different countries and do not specifically consider the process of internationalisation. Salamon & Anheier (1996), for example, only survey the NGO sector in various countries because "far too little is known in solid empirical terms about the scope or structure of this sector". They give a useful but static picture of this sector in several countries; though this picture is being gradually fleshed out by Salamon and co-workers in various countries; for example, Salamon (1996), Anheier, Glasius and Kaldor (2001) and other writer like Courtney (2002) are developing the literature on NGO strategic management. In another study, Backman, Grossman & Rangan (2000, p7) argue that non-profit organisations have distinctive characteristics, which hinder the direct application of business strategy models and call for,

"non-profit scholars and practitioners to advance the discussion by completing the list of key issues that nonprofit strategy models need to address and then by developing new, more complex strategy models that reflect the challenges and messy realities that nonprofits face every day" (Backman et al. 2000, p7)

Bernd, Marc and Irvine (2004) present the view that the disciplines of economics and sociology have failed to adequately explain many of the problems of NGO management, with its particular market-place and greater need for direction rather than understanding; and are both under shadow, as analytic tools, from a new concentration on marketing research. Pijl and Sminia (2004) argue that the internal operations of NGO management were important to any understanding of its strategic management.

In that vein, the research reported in this thesis considered the why and how of NGO internationalisation, looking both externally and internally. The survey and subsequent case studies were undertaken in the context of two theories of company development

mentioned above and in chapter 3. The first was the theory of George Yip (1995) that firms are driven to internationalise by certain external forces he calls "drivers" which was used to examine aspects of why NGOs internationalise. The second was the theory of Kenichi Ohmae (1994) that firms move through certain stages as they internationalise. Both these suggest that companies will be at a strong commercial disadvantage if they do not globalise their activities by, in the former case, attending to the drivers and, in the latter, by following the stages to their conclusion in the formation of, what is referred to as, a truly global company.

The propositions were derived from consideration of those theories, the questions that arose about their applicability to NGOs and a desire to move beyond the literature where that failed to provide a suitable context or explanation. The propositions were chosen to begin an examination of why internationalisation took place, and how it took place.

The first proposition was based on the work of Yip regarding the driving forces of globalisation. To examine the driving forces behind NGOs' international development the concept of Yip's drivers was chosen because the drivers appeared to thoroughly map the external environment using a relatively clear set of concepts. The influence of the drivers, adapted for NGOs, could then be tested using data from the survey of NGOs.

The second proposition was based on Ohmae's stage theory of international development. This theory was chosen because it set out an argument that international development was achieved in clear stages, which could be translated into similar stages for NGOs. This

provided the opportunity to see if those stages were applicable to NGOs, regardless of the fact that there was some debate in the literature about the validity of stage theories in relation to company internationalisation. The second proposition that NGOs follow a similar route to Ohmae model was examined using a model adapted for NGOs.

To briefly restate the propositions:

1. That Yip's globalisation "drivers" in the external environment influence the internationalisation of NGOs.
2. That NGOs follow a route similar to that set out in the stage theory of the international development of firms by Ohmae.

7.2 What drives NGOs ?

As neither Yip nor others had operationalised the variables in his theory, in a manner that could be used with NGOs, this process had to be started from scratch and related to NGOs experience. That adaptation may have helped to extend the possibilities for further research, by providing a tool that can be used again in the analysis of the management of NGO internationalisation. Yip has given measures for some of his variables e.g. the measure of "non-tariff barriers" is the percentage of the world market that is blocked from imports. These measures are, however, intended to help companies develop a strategy for their global development rather than to estimate the influence of these drivers individually. Yip gives four groupings for his drivers. These are; market drivers, cost drivers, government drivers (i.e. political drivers) and competitive drivers. In this research these were extended to include technology and social change as separate groups of variables.

These were not new drivers but drawn from within Yip's groupings to make these variables clearer for NGOs and the groups of drivers more balanced in size.

In each grouping the key drivers for NGOs were drawn out and amended in such a way as to be clearly identifiable and relevant to NGOs. As far as possible, short examples were given to clarify the more complex variables e.g. "The competition for international recognition" was illustrated by the example of "gaining recognition with the UN", because international NGOs often compete to have observer status at the UN.

The key changes that were made centred on allowances for NGOs to be driven by their desire to meet needs overseas, and to improve their public profile, as well as their fundraising and the development of their supporter bases. The business terms that Yip uses were also modified to make them applicable to NGOs and easily understandable to the respondents e.g. economies of scale were related to the possible reduction of fundraising costs. Some drivers that were only applicable to businesses were ignored e.g. the denationalisation of industries, (though the relevant parallel decline in the social involvement of governments was not omitted), the listings of corporations on multiple exchanges, and the increased ownership of corporations by foreign acquirers.

The findings from the survey and the case studies indicate the degree to which the drivers, both individually and in blocks, play a part in the expansion of NGOs: though when interviewed case study informants in all four organisations talked about the effect of individual drivers rather than blocks of drivers. The analysis showed that for most NGOs

certain drivers were highly influential, but there was a lot of diversity in which drivers those were for any NGO. The social drivers, for example, greatly affected NGOs working in certain regions; and the political drivers could be very influential by opening up countries to NGOs, provided they wanted to take advantage of the opportunity. The ability of small NGOs, working in only a few countries, to respond to drivers in regions geographically remote from their current operations was, however, limited.

The driver most commonly reportedly as highly influential in the survey and case studies was the "meeting of needs overseas", and this appears to be a key factor in pushing many NGOs to internationalise and develop their structures of partners and branches overseas. This is very close to the view of Taylor (2002) who gives moral concern as the major driving force for global civil society. "Need" was reported as of high or very high influence by 94% of responding NGOs. This may be simply because it reflects the mission of most international NGOs, which is to help those with certain needs or problems overseas. Given adequate resources this appears to become an open-ended commitment. Ashman (2001), however, discusses the gap between ideas of success in fulfilling need between Northern NGOs and their Southern partners illustrating possible complexities to that driver. The more complex interactions that companies might have, such as competing for market share, however, do not appear to be felt so strongly by NGOs; who may tend to think of themselves as cooperating rather than competing despite their competition for funds. Therefore the drivers, other than simply meeting needs, may always be deemed secondary. Moreover, the company goal of maximising profits which can be thought of as

a firm's equivalent to meeting needs (see Chapter 5) is so obviously the usual key driver it often fails to be stated as such when Yip discusses drivers.

The pattern of response makes it hard to derive findings that can be generalised for NGOs. The analysis, however, suggested that for NGOs a certain set of necessary conditions must be met before there was an "ability to operate" and international development into any one country could take place. These conditions were; the political consideration that entry was allowed, for example, Amnesty International was only permitted to set up a branch in Russia after 1985; that sufficient funds were available to finance the expansion and that internal policy (set by the founder, leader or by the governing body) permitted this activity. The latter may be a de facto policy established by the founder or another's entrepreneurial actions from which there may be, in time, a transition to a more formal policy. In addition there was a need for appropriate partners or people in that country to be available with whom work could be done e.g. to form a branch. In the case studies, once an ability to operate was established and the pre-conditions mentioned above were met, the key reported drivers, were decisions to expand made for reasons that centred on ways of meeting of needs.

The political situation not only acted as one of the necessary conditions, as NGOs cannot operate in a country without government permission; but was also quoted by all four case study respondents as a driver, along with social change. For example, the withdrawing of government from social funding (which was seen to create need) was reported as a driver. acting on the desire of NGOs to meet those new needs. For companies, however, entry may

now be much less of a concern, as Luo (2001) reports that the constant reduction of entry barriers has led to a concentration by firms on operations instead. Nelson (2002, p389) states, “Any such model has to allow for greater variability in NGOs’ strategic relationships with governments” albeit in the context of social movement advocacy, though he does indicate an increasing willingness on behalf of NGOs to challenge government and further research may draw out a variety of approaches to governments used by NGOs in their internationalisation.

The findings also strongly suggest that certain drivers act more to facilitate the process than drivers proper. This was often the case with technology drivers where the ease of communication, transfer of knowledge and use of e-mail all facilitated international development. Similarly, the ease of linking with overseas partners, and the formation of commercial partnerships globally, helped to make the process of internationalisation easier; for example, by allowing local NGO partnerships to develop quicker and by using the same supplier in different countries. Similarly, Lindenberg and Bryant (2001, chapter 5) talk about information technology allowing organisation to transform their structure and operations internationally. Evidence from three of the four case study respondents from The Karuna Trust, Africa Now and IPPF, also indicates that NGOs may usually expand as fast as possible to meet needs once the enablers are in place, and the pre-conditions listed above are met, with lack of finance as the main block to expansion.

The case studies, and the additional drivers (leadership, policy formation and availability of funds) suggested by NGOs in the survey responses, indicated that internal factors too

play a strong part in internationalisation. Some of these internal factors may, however, be linked to external factors not necessarily considered above. For example, 13% of NGOs indicated that the first step in internationalising was taken by an early leader or founder of the organisation who drove internationalisation forward. The case study informants reported that this person acted like a business entrepreneur making use of connections (in the case of Leonard Cheshire), and available resources in the home country and abroad (in the case of the Karuna Trust) to start the process and personally champion international expansion. One critical external factor necessary for this was the readiness of overseas partners (or a partner) to engage in the process. The existence of adequate funds within the organisation was mentioned in the case studies as an enabling or limiting factor, and this links to the external availability of funds and the organisation's capability in securing them. The organisation's internal policy was also mentioned by 30% of respondents. The setting of internal policy was said, by case study respondents, to follow the leaders first step(s) and institutionalise the process so that it continued. Indeed, later international expansion was often driven by policy, when funds and partners were available, and when the political situation allowed access to a country.

This picture is further complicated by the diversity of response to the drivers. For example, any given driver may be highly significant for a few NGOs. This may be due to the variety of NGOs in general with widely differing missions, countries of operation, histories and methods. Analysis of the affect of drivers on groups of NGOs with similar missions did not, however, show that the mission alone explained the diversity of response. Diversity of response to drivers may also be linked to the wide variety of techniques NGOs have for

meeting needs; taking an example from the case studies, Leonard Cheshire concentrates on organisational development whereas Africa Now concentrates on financing programmes; therefore Leonard Cheshire may find drivers that facilitate international information sharing more influential than Africa Now, and Africa Now may find drivers that expedite the flow of funds more influential than Leonard Cheshire. A tiny minority of, often small, NGOs rated the competition drivers highly, especially in regard to the competition for funds, which may reflect their own competitive position viz a viz the larger organisations. These smaller organisations may not have the large budgets or the media profile of larger organisations working in a similar field, and may therefore find it harder to raise funds and see the market place for funds as highly competitive.

Another set of analyses examined whether blocks of drivers or individual drivers influenced the speed at which NGOs internationalised. Though there were marked differences in the rate of NGO internationalisation, the results did not show a significant relationship with either blocks of drivers or individual drivers. Some drivers appeared more important than others such as certain political drivers, which reflected the opening up of Eastern Europe and changes in South America and Asia. Hsia and White (2002) show this in relation to NGOs in China, illustrating the potential positive and negative effects of the political driver. They note that, in China, external NGOs encounter many problems due to a lack of positive connections to government; which they deem essential for work to be conducted over many years, and for it to be sustainable. The effect of global media was felt more strongly than other competition drivers by the fastest NGOs perhaps because they were large enough to take advantage of it; conversely "competition for funds" is felt more

keenly by the slowest NGOs perhaps because they suffer from this competition. The fastest also tended to be the most responsive to IT changes such as "the ability to exploit databases" (perhaps because they are key to developing large donor-bases to fuel expansion) and "ease of transfer of knowledge". Burt and Taylor (2003) posit the deepening of this use of IT by NGOs, citing the use of IT by two UK NGOs to transform the way they communicate with the media and their supporters to help develop a greater capacity to perform campaigning and marketing activities. Bell, Ibbotson et al (2001) also found that for SMEs IT, especially in the form of new communications technologies, improved their ability to plan, acquire information and establish contacts during the process of internationalisation.

7.3 The stages taken by NGOs

There is qualified support for the second proposition in that NGOs do tend to follow some of the steps outlined by Ohmae; albeit that those steps need to be defined in terms that make sense for NGOs (Chapter 6). It is usual, however, for NGOs to pass through only a few of the possible stages (nearly half had passed through only two of these stages). The NGOs formed in the 60s and 70s are more likely to have passed through three or more stages than those formed earlier, whilst those formed in the 80s and 90s do not appear to have had sufficient time to move on from their early steps. Occasionally stages are jumped and sometimes organisations revert to an earlier stage. NGOs however, in common with firms, rarely complete the full five stages. They also often jump the given first stage and may need a new early stage (first or second) to represent the sending of funds overseas to

meet needs. These qualifications to the theory largely mirror those of suggested for business by Reich (1991), McKiernan (1992) and Craig (1996).

Analysis of the case studies showed that the process of moving from stage to stage is not inevitable; though existence at any one stage for any length of time does not necessarily indicate permanence, as organisations are driven to meet needs, which may themselves be changing, their existence at any one stage may be transitional. For example, Karuna Trust has, after several years, begun to encourage its partners to raise funds in India and Taiwan to release funds for its expansion to meet needs developing elsewhere. Though few NGOs had reached the last stage, the research findings may indicate a strong potential to do so because of their staff's commitment to each organisation's mission, which is a key factor in reaching Ohmae's stage five. This is elaborated below.

Both campaigning and grant making organisations often fulfil their functions through a branch or partnership structure enabling them to manage the different processes of arranging international pressure and making financial donations (or giving advice) to local institutions or individuals. Having created those structures the findings indicate that the management process can lead to local organisations adopting variations on stated policies, and in so doing coming into conflict with the home country organisations. The case studies indicate this process is similar to companies, which try to be responsive to local culture whilst retaining certain controls. For example, both Cheshire Homes' services in India and McDonald's product range in Japan vary to meet local circumstances, similarly IPPR and Benetton allow local organisations considerable flexibility in management structure. Peters

and Waterman (1982) characterised the dilemma of maintaining international product and management standards, whilst meeting local needs and traditions, as a search for the most effective "loose-tight fit"; and NGOs may later complete their globalisation process by the resolution of such problems, in the process of regaining control of policy and image, albeit developing a strong degree of localization and the inculcation of international brand or corporate loyalty above home country or HQ loyalty.

It is possible that entering the stage Ohmae calls "true globalisation" will be easier for NGOs than for companies. As analysis of the case studies showed NGOs may avoid companies struggles over policy and branding, because they are often deeply integrated into the locality, and tend to generate loyalty to the brand (and professional values) rather than to the home country. This is enhanced by their system of internationalisation through local branches and in partnerships with organisations which have local roots. This may be true of organisations like Greenpeace, UNICEF and Oxfam, which did not report problems (in regard to brand and policy matters) with local partners in the survey, though Oxfam has had problems in uniting its sister organisations in the US and Canada. The federal structure of some NGOs may also lend itself to true globalisation because of its "associative logic" in linking already likeminded organisations.

The finding that organisations begun in the 60s and 70s internationalise faster than those founded in the 40s and 50s may be due to a variety of factors. These could range from their internal abilities to the changing external factors, which may have increasingly enabled rapid overseas development. The experiences of newer organisations may be different as

internationalisation becomes more the norm. That some organisations formed later have not followed this pattern may be due to their much smaller size, and it may be an indication that a "take off" point is reached whereby overseas expansion becomes easier. Johanson and Wiedersheim-Paul (1975) in developing the Uppsala model also found that the younger companies tended to internationalise faster. As analysis of the case studies showed organisations learn about the process of internationalising and repeat successful formats. For example, Leonard Cheshire's move into a new country now is much easier than the first few such moves.

The research showed that federations of NGOs do not easily fit with Ohmae's model; with overseas organisations sometimes combining to set up this form of central HQ as their first stage, then moving onwards towards the last stage via written strategy and policy documents. Though a Federation may have started with pre-existing partners overseas, it may still encounter problems with partners who do not wish to follow the policies and some may leave the Federation. As the partners are likely to be already raising their own funds this may give them a greater measure of independence than NGO partners usually enjoy. That they have voluntarily chosen to form a Federation, which they perceive will be of benefit to them, may, however, make it easier for them to become stage five type organisations. It is possible that with the development of international communications, including e-mail, it is becoming easier to form federations. Federations may be a variation

on the model which is particular to NGOs, and which follow a parallel route to internationalisation in the early stages up to their formal establishment, then follow similar stages to other NGOs. The data in this research, however, comes from only 4 federal structures out of the 47 NGOs that responded to the questionnaire and the one case study federation (IPPF). The nearest business equivalent is difficult to envisage, but may be franchises or the result of mergers and take-overs, though none of these forms of business seems to equate directly to the NGO federation.

The theory may need to be expanded, to include this type of organisation, by the inclusion of a preliminary stage; at which several organisations with similar missions, but often in different countries, come together to form a unified whole. This structure would then have also jumped to NGO stage 4, as its constituent parts are most likely to be already engaged in raising resources locally. The new organisation may well then be faced with stage 4 or 5 problems like any other structure. The route taken by federations might therefore be a parallel route until the latter stages, 4 and 5, when they follow the same route taken by other NGOs.

7. 4 The implications for theory

This thesis builds on the current literature that relates to the internationalisation of companies and extends it to the "third" sector.

"The problem, however, is that the increased expectations now being directed to this "third sector" are not based on a very clear understanding of the nature of this sector or what its capabilities really are." Salamon & Anheier (1996 p3).

The research in this thesis shows there are similarities and differences between commercial organisations and NGOs. The overall implication is that the theory on the internationalisation of firms cannot be applied to NGOs without some modification. There are also implications in regard to the theory of drivers and stage theory. In regard to the theory of drivers, no simple pattern of driver influence could be found for all NGOs; some drivers are highly influential for certain NGOs and different patterns of drivers influence different NGOs. This lack of uniformity complicates the development of any theory of driving forces for NGOs, which is to be based on Yip's work. More research could usefully be undertaken to see if any pattern of driver influence is associated with certain types of NGO. Having said that, the survey shows the influence of certain blocks of drivers, such as technology; and certain individual drivers within blocks on certain NGOs. The case studies add to this finding by suggesting that there are three types of driver. As mentioned previously, some drivers may help to provide the conditions which give NGOs the 'ability to operate' in certain countries, others may act as 'enablers' to the internationalisation process and some act as drivers to internationalisation generally.

Any driving force theory will also need to take into account that NGOs have a powerful internal motivations linked to their mission of need fulfilment. This motivation may be more important than the driving forces that are shaping the issues facing major commercial concerns, and changing political and economic boundaries; though it should be remembered, as Yip (1995) noted, that these external drivers are primarily uncontrollable by worldwide business.

Sensitivity, however, may need to be shown by NGO managers to the effect that the globalisation drivers do have, both as enablers, such as technology, and opportunity creators, such as political and social changes; otherwise opportunities may be missed or strategies may need to be modified, because of emergent forces or possibilities which were unanticipated. There is much more variation in the effect of the drivers here than Yip suggests. Similarly, the 'ability to operate' outlined above provides necessary conditions that any theory of the management of NGOs' international development will need to take into account. This research therefore recommends that managers pay attention to the drivers that are significant for their NGO, which contrasts with Yip's theory based on the drivers overall importance.

The research findings on the importance of internal factors complements the work of Bartlett & Ghoshal (1989) on businesses, who saw that the external forces for change and complexity are reinforced by equally important internal processes. They saw that the companies they researched were affected by external changes, which had necessitated new strategies, and it was the successful management of those strategies that allowed the companies to expand. This research also shows the importance of internal processes in NGO internationalisation, for example: the early leadership, the adoption of the enablers such as appropriate IT, the response to social and political changes (which may open up possibilities for internationalisation, but will not of their own accord propel NGOs to respond to these opportunities) as well as the formal adoption of strategies and policies favourable to internationalisation. The latter sometimes being the formalisation of an ad hoc process started by a charismatic leader e.g. Leonard Cheshire of Cheshire Homes.

Bartlett and Ghoshal, in the same research, debated the legacy of strong leaders because, in some cases, the lasting effect of their management style held back companies by preventing the adoption of an organisational capability that could meet the new challenges. Further research is needed to discover if there was a similar legacy of restraints, by early leaders, on the management of the internationalisation of NGOs.

Knight (2000), discusses the effect of globalisation on SMEs and finds that managers seem to give a high priority to technology, their responsiveness to globalisation and in being prepared for international marketing and development. This thesis indicates his work on entrepreneurs may have some parallels with the actions of NGOs particularly in the importance given to their use of technology, but further research would be required to indicate how close the actions of SME entrepreneurs and current NGO leaders may be.

Bell, McNaughton and Young (2001 p1) discuss born-again global firms (typically SMEs strong in their home market that suddenly embrace globalisation) as part of what they call the “born global” phenomena. Again, more research would be needed to consider whether new NGOs are beginning to consider themselves in a similar way; and, if so, what might be the driving forces of that development.

Yip (1995, p163) talks about the "elements of global organisation" whereby an organisation's "ability to develop and implement global strategies" is, he believes, influenced by four factors. These are: management processes, organisational structure, people and culture. Although written in respect of commercial organisations usually much larger than NGOs this has parallels in the discussion above. The management processes include "a system awareness of global drivers", "cross-country co-ordination", "global strategic planning" and "evaluation procedures". Organisational structure includes centralised authority rather than an international division and a strong business dimension. People include foreign nationals, multi-country careers, frequent travel as well as statements and actions of leaders. Culture includes the global identity, commitment to worldwide employment and interdependence of overseas units.

For NGOs this research suggests again that some adaptations to this theory are necessary for NGOs, including awareness of key drivers and enablers for that NGO (i.e. not all global drivers), leading similarly to global planning and informing policy development, as well as monitoring and evaluation of the process. The latter is often requested by donor agencies and was mentioned by case study interviewees. This is part of an institutional environment particular to the non-profit sector. In the UK, for example, charities are registered with the Charity Commission; which imposes certain conditions on their operations. Government and non-government donors also often attach conditions on NGOs regarding the administration of any grants given; and increasingly look at management composition, policies and practices before making large-scale grants. In this way, NGOs are often subject to pressure from different stakeholders than companies.

In none of the case study NGOs was organisational structure uniformly a centralised authority rather than an international division; and this was especially evident in those NGOs arguably close to Ohmae's stage five, though at that stage the remit of the centralised authority was more limited than at earlier stages. The "people" element for NGOs would perhaps place more weight on the actions and statements of the leader, particularly in an organisation's early years, though the other factors may also be significant. Culture is one area with which this research did not specifically engage and further research may be needed; but the issues mentioned by each case study participant are similar to those involved in reaching Ohmae's fifth stage, such as degree of adaptation of management style to the local culture and the nature of the relationship to headquarters and other parts of the organisation worldwide.

In contrast to stage theories, Reich (1991), McKiernan (1992) and Craig (1996) argue that commercial organisations take a large variety of routes and steps in their international development, occasionally returning to earlier stages or even trying to be global immediately. This thesis confirms that similar reservations about stage theory also apply to the internationalisation of NGOs.

This research also indicates that Ohmae's theory, even when his model is adapted specifically for NGOs, cannot be supported without qualifications; though NGOs can be found at each of the adapted stages. The analysis shows NGO's as well as companies jump stages, return to earlier stages and start at different stages. Federations, in particular, are

not accounted for by Ohmae's theory. They are shown here to share, with each other, a common route to internationalisation, which may, after the early stages, be considered at best parallel to that of other organisations. International federations of NGOs, at their inception, usually create an international organisation with branches or partners in several countries. The survey showed how federations may usually be composed of branches that raised funds locally. If not they may reach that stage through assistance from the centre: for example IPPF. Federations like other NGOs may also suffer from stage four problems, with branches taking undue initiative on policy and branding. Federations may, like some other NGOs, be in a strong position to become stage five organisations due to the way staff are motivated and the strong inter-branch links; for example, as reported by IPPF. Further research into federations, as a unique organisational form and alternative method of development, could be undertaken to give a clearer idea of their internationalisation process.

The starting point for NGOs' international development is also more varied than Ohmae's theory would suggest. The case study interviewees report a variety of mechanisms that lead NGOs to consider meeting overseas needs by internationalisation. This does not support theories like Ohmae's (1994, p91), which simply give one first stage represented by "arms length exports" of goods.

The transition postulated by Ohmae between the fourth and fifth stage may, however, be one that NGOs are well suited to take because, as the case studies showed, NGO staff are often motivated by the organisation's mission rather than an allegiance to central

management and may work co-operatively across country borders. These are both qualities emphasised by Ohmae as important for the fifth stage. More research on NGO's that have successfully completed this transition, or perhaps arrived by another route at stage five, might give useful clues to managers in all sectors about the process, benefits and any pitfalls of this move.

The research also supports some of the suggestions of Craig (1996) in his work on the three tools and his three stages of internationalisation (reviewed in Chapter 3). It is, however, stronger in supporting the tools than the stages i.e. in having the correct "information system technology", "administrative structure" and "resource deployment", which are three areas this research highlights in relations to the driving forces of internationalisation. For NGOs, these areas are represented by the technology drivers such as e-mail, which act as enablers; the leader and/or policies that encourage international development giving an appropriate "administrative structure", and the various packages of financial input, fundraising and fundraising training that represent "resource deployment" for NGOs.

Craig's three stages are, firstly; learning by selecting an area in which to compete and leveraging a core competence, secondly; building a position in the markets, establishing local presence with new products adapted to local taste and preference and thirdly; integrate and co-ordinate across national markets emphasising leadership. Each of these stages is based on overcoming competition, which the case study respondents reported NGOs tend to avoid. In doing that, however, they may select an area and activity where

there is no competition, or where their work is complementary to other NGOs. An extreme example of this is Africa Now pulling out of Gambia, because a larger NGO began similar work there. In forming branches and partnerships NGOs are building a local presence, which the case study interviewees believe brings them closer to local sensitivities and needs; though this research does not show how much they adapt their work as a result of that knowledge. Part of that process may be the capacity building of their partners, which may be less relevant to companies. In regard to Craig's third stage Karuna and Africa Now report having taken time to consolidate their work before expanding, though in Karuna's case this is in one region of India. IPPF and Leonard Cheshire, however, did not necessarily "integrate and co-ordinate across national markets" before expanding to other countries, and none of the case study NGOs indicated that they sought to build leadership. In regard to Craig's third stage therefore this research does not support his theory in regard to NGOs, and can offer only limited support overall as detailed above.

This research appears to support aspects of McKiernan's (1992) network theory, in that the process of NGO internationalisation, reported here, is one of either the creation of partners and/or branches or the development of a federation. In the former case the partners and branches act as key members of the network for service delivery, and in the latter case the federation internalises the network by formally grouping the various organisations in a way that goes beyond the branch and partner structures. This was confirmed in regard to IPPF by the case study interviewee.

The need for additional NGO stages, and the case of federations shows the complexity of the internationalisation process that McKiernan (1992) noted. His criticism that the stage boundaries for companies are not well defined reinforces the need for the stages to be carefully adapted for NGOs.

In his research on organisation identity, Young (2001a) considered four types of nonprofit federation; grant-making foundations, federated fundraising organisations, university academic centres for the study of nonprofits and lastly social enterprises. None of these fully equates to the international federations mentioned above, where funds are frequently drawn from the members to pay for services delivered to them by the central body. Young (2001b), however, discusses nonprofit umbrella organisations who charge fees to their constituent bodies, which may be separately registered organisations. He estimates 1/5th of US nonprofits operate in this way. Young considers that resolving issues of corporate identity are key to the process of establishing effective nonprofit strategies. This research, in adding to the knowledge of the nature of federations, goes some way to assist with this process in its findings.

This research helps to open up a new area for research and understanding in the expanding field of NGO management. The research shows there are both similarities and differences with findings on companies, giving an impetus for NGO management research to undertake further studies. It also helps to develop a more sophisticated understanding of NGO management in regard to the process of their internationalisation, and their status as global entities in their own right, though that they also share some of the characteristics of

multi-national companies. There would appear to be scope here to consider the degree of learning across sectors in both directions. Some business drivers are highly influential for certain NGOs and some NGOs pass through similar stages to companies during the process of internationalisation. Indeed, the internationalisation of NGOs can be seen as part of the larger process of globalisation; and NGOs can be seen as its beneficiaries in being able to develop global reach, as well as being entities that often seek to mitigate some of globalisation's perceived harmful effects. For example, globalisation has opened overseas markets to commerce and helped to create improved international communications. The spread of cultural and economic norms may also have created the right conditions for NGOs to establish branches and partners overseas. The process of globalisation is implicit in Yip's theory and as this research shows NGOs are often assisted in their internationalisation by these changes. Globalisation is also often rebuked for increasing disparity in incomes and indeed deepening poverty in some countries; for example, Sivanandan (1998). This process may therefore also be increasing the needs that NGOs seek to mitigate, which is their most common driver towards overseas development.

In particular, this research helps to reveal some of the important internal processes of NGOs, which are both a reaction to external forces and a means of taking advantage of the effect of those forces to help meet the organisation's mission. Extending this work may go some way to meet Tvedt's (2002) call for more comparative research that investigates the development of the impact of the world of international NGOs in political, institutional and financial terms. Though he was principally concerned with the social impact of NGOs

internationally, he clearly indicated that this was closely related to NGOs' underlying driving forces.

7.5 The practical implications for NGO management

Managers of NGOs that are expanding internationally may not be able to ignore the drivers that are predominant in their own field or area of operations. As the importance of drivers varies from organisation to organisation, managers may benefit from being aware of the key drivers for their organisation and how these are changing over time. Though each of Yip's drivers do not have a strong influence on all NGOs, for many NGOs certain drivers are perceived as highly influential; for example, any change in the political situation that may allow NGOs to operate in a new region is likely to involve many organisations seeking to take advantage of that opportunity. Scanning the external environment, especially in respect of these drivers, for signs of significant change may be increasingly advisable.

In selecting from a variety of possible new countries or regions, which may have equally pressing needs, managers may also be advised to consider both the strength of the drivers and perhaps more importantly their effect on NGOs undertaking similar work. This may help managers anticipate the actions of other NGOs; which may avoid the necessity to pull out of a country because a larger NGO is drawn there, for example, Africa Now reported pulling out of Gambia because a larger NGO in the same field began work in that country. Indeed attention to the competition drivers and general globalisation drivers should enable an NGO to act strategically or defensively to any changing pattern in the same way that

Leonard Cheshire moved from being a single issue development organisation, in competition with other rapidly expanding development organisations, to offering a specialist service in relation to that issue (i.e. capacity building for disabled people's organisations). NGO managers may also consider the finding of Goerzen and Beamish (2003) that company performance was negatively related to the diversity of countries they operated in. This would indicate that consideration should be given to the idea that needs may be more efficiently met by prioritising internationalisation into similar countries. Vermuelen and Barka (2002) also found that speed, spread and diversity of new entry adversely affected company profits, and they suggested that there were limits to the ability of companies to cope effectively with internationalisation.

This research lays out some of the conditions necessary for NGOs to have the 'ability to operate'. If managers can maintain an awareness of social changes in countries where the needs they seek to meet could become present, they will be well placed to respond if the factors outlined in 7.2 above give them the ability to operate in those countries. This may, for example, be changes in the prevailing political situation, which could ease entry to a new country. It could also be an increase in funding for that country; for example, as grant makers become aware of problems there, or it could be the emergence of local partners through whom the organisation could work. This research suggests that managers therefore need to maintain an awareness of this range of external influences, if they are to internationalise effectively.

Managers may also be advised to create, as far as they are able, a favourable internal context to help enable internationalisation. Having the ability to operate and being allowed or encouraged to do so are separate factors. This research shows that the internal factors, which may promote international development, are likely to include strong entrepreneurial leadership, at least at an early stage; a policy framework for international development accepted by the organisation's governing body and the availability or allocation of funds. Block and Rosenberg (2002) states that NGO staff expect their founder leaders to hand over power gracefully at some future point. This rarely happens but preparation via policy development may smooth the way. These internal considerations, as far as they can be affected by managers, may give the opportunity to improve their ability to manage international development. The case studies suggest that once the initial impetus for international development has slackened (for example, because of the retirement of a charismatic leader) then the development of internal policy is a prerequisite to the maintenance of international expansion over a number of years (e.g. Leonard Cheshire International and Africa Now).

The research suggests that the importance of technology in facilitating internationalisation should not be overlooked. The ease of communication and knowledge transfer across considerable distances (despite problems in many developing countries because of poor infrastructure) greatly enhances managements' ability to handle multiple branches or partners. This was mentioned by all the case study interviewees. Indeed, Carpenter, Pollock and Leary (2003) state that the degree to which a firm is technologically advanced indicates the degree to which it should globalise, heavily linking technology to

globalisation potential; though it would require further research to ascertain how far this might apply to NGOs.

In practical terms this thesis may assist NGO managers by providing a sense of direction through the possible stages that they may encounter during international expansion and an awareness of some of the problems posed by the transition to a different stage. This research shows that international organisations usually form branches or partnerships early in their international development. Managers wishing to expand overseas may be advised to consider the extent of existing donations from overseas or the development of any support groups which could be developed to help them in achieving that early stage.

They should also be alert to the potential "fourth stage" problem of local partners taking over the reins of policy and adapting the corporate image to suit their own locality. Though few organisations reported this problem it has proved troublesome for a minority. Judicious management of this may, however, lead to Ohmae's "fifth stage".

This thesis suggests that if Ohmae is correct about the benefits of 'true globalisation' then managers of NGOs are well placed to balance local adaptation with central control, but also to develop the spirit of global brand loyalty not loyalty to headquarters or the home country. This builds on the influence of the mission (meeting needs) to inspire support. Ohmae also recommended that, as an important part of this stage, the corporate centre is "decomposed" into various regional entities (Ohmae 1994, p88) and managers may be

advised to consider this, though more research is needed into its effectiveness specifically for NGOs.

It should, however, be borne in mind that Ohmae saw stage five as a means of serving global customers; and NGO managers need to consider both sets of their "customers", that is, their financial supporters, who could be based anywhere in the world, and the people they are helping, who may have strong local interests. At present the case studies suggest that for the smaller NGOs their financial supporters were mostly in the home country and their partners were regionally based rather than globally. The larger NGOs had financial backers in many countries, but more usually giving to their local branch rather than across borders. The current stage of NGO internationalisation may be one where both sets of "customers" are more regional than global. This research shows that many NGOs are at stage four, and with its strong "insider" position it may make a better stopping point.

7.6 Areas for further research

Research into the international development of NGOs is in its infancy and this research opens up many potential avenues for further research. As discussed, there were some limitations to this research that could be overcome in further research. These include the small number of case studies, the size of the survey and the degree of non-response to the survey.

A larger number of case studies may give better coverage of the various ways NGOs are structured, such as federations and those who internationalise predominantly through

branches or through partners, as well as, considering the similarities and differences between different types of NGOs such as pressure groups, religious organisations and development NGOs and their speed of internationalisation etc. The organisations studied could also be returned to at intervals to allow a better understanding of the changing patterns of internationalisation. Alternatively, more in-depth case studies could be used to develop greater understanding of organisations such as federations.

The size of the response rate from the postal survey meant that detailed analysis of sub-groups was not always possible. Another postal survey might have a better response rate if it concentrated on the UK, using the greatly improved data on international organisations now available, and again following up the survey with telephone and postcard requests. Surveying only UK NGOs would greatly reduce the percentage non-responses, as these were predominantly from the US and other countries. Alternatively, comparative research with partners in other countries, such as the US, might improve the response rate, and may allow comparisons between countries.

Three of the most interesting areas for this research are outlined below. These are; the initial role played by charismatic leaders; the interplay of the initial "ability to operate" drivers with enabling factors and other drivers, and also the particular role of NGO federations.

The role played by "charismatic" NGO leaders as well as their legacy in regard to patterns of management is worthy of further research, because of their strong and lasting influence

that was reported in the case studies. This could be contrasted with the work of Bartlett and Ghoshal (1989), who considered the role of leaders in commercial organisations, and their enduring impact, by carrying out a similar study in regard to NGOs. This research may be part of a wider programme of research into the early stages of NGO internationalisation, where this research indicates leaders have most influence, but could also form a more comprehensive look at their role in relation to all aspects of NGO internationalisation. Bartlett and Ghoshal's methodology was based on initial case research into nine companies; complemented by a questionnaire to a large number of organisations, which tested the propositions they had evolved from the case study data. They then developed hypotheses that were again tested by a survey, though this time to a more targeted group of organisations and employees. A simplified form of this methodology could be used in respect of NGOs, considering their more limited numbers, starting with a set of initial case studies followed by a postal survey.

New research could also consider in greater depth the interplay of the preconditions for internationalisation, enabling factors and drivers to determine the mix that results in the take-off point at which NGOs internationalise, and how they could refine and order that mix to increase their ability to meet need through internationalisation. It could also consider other restraining and enabling factors; such as the effect of previous experience of international development, and how NGOs can improve their organisational structure to aid the process of internationalisation. Here again case studies would allow an in-depth look at the issues.

The globalisation picture is becoming more complex with a greater number of NGOs considering themselves to be global concerns than when the survey was undertaken. A new survey going back to some of the original respondents, who have now developed more globally, but including NGOs formed quite recently may also be revealing of new trends in this area. This could be repeated over time to form a longitudinal survey taking say, bi-annual "snapshots" of the trends in NGO internationalisation. This could augment the existing research's findings on how internal NGO processes impact on internationalisation, and how strategies change over time. Longitudinal case studies may enable an elaboration of these processes, though they take much more of any researcher's or research team's time and are therefore inclined to be much more expensive.

The case of federations may deserve particular attention, by comparison to other NGO structures, as a possible form of organisation unique to NGOs. Further case study research would be useful here, as well, to map out their particular form of internationalisation, perhaps with a control group of other types of NGO to allow differences to be elaborated. This could involve a much larger number of federations than responded to this research to allow more detailed and representative research. Federations are a possibly unique structure without parallel in other sectors. For this reason case studies may be needed to allow enough time to follow up ideas, and develop a more complete understanding of their internationalisation. This could include consideration of the differences that may exist, from NGO to NGO, within their structures, management and influences. For example, World Vision has begun devolving its central structures, whilst retaining its mission, into what is describes as the "global bumblebee" formation and some organisations in the North

and South with similar missions such as micro-credit NGOs are considering alliances (Lindenberg and Dobel, 1999). In regard to firms, Duysters and Hagedoorn (2001) found that strategy and structures did not converge as markets became global. The growing similarity of their environment did not seem to be matched by a similarity in the way they conducted their operations; but they also noted that the speed of change in their environment was so great that organisations may not have had time to adjust. The suggested case study research may indicate if NGOs are developing in a common direction or retaining their individual responses to global changes.

Further research is needed into the relationship between the sustainability of NGO internationalisation and financial resourcing. This remains an important area which is neglected, but likely to assume greater significance as the international expansion of NGOs gathers pace; with the possibility that competition could increase as branches compete for financial resources or saturation occurs as branches are set up in each viable country in a region. Both those situations may challenge the sustainability of international development. As NGOs reach saturation of the countries they wish to expand into, or the momentum of internationalisation slows for other reasons, new skills and resources may be needed to sustain the organisation and this premise could form the basis for new research.

Research into financial resourcing of expansion could also cover the effect over time of local competition, the influence of potential revenue generating countries on the selection of countries to expand into and the development of exit strategies from countries which are financially unproductive. An example of the latter is the retreat of Greenpeace in the 1990s

from servicing certain countries to invest in others. Again, longitudinal case studies may be useful in provided this kind of information in depth over time.

In summary, the findings of this research provide rich evidence of the differences and similarities between NGOs and firms in the management of their internationalisation. The results regarding the driving forces shows their varying degrees of influence on NGOs (apart from need overseas) and elaborates their role as drivers of NGO internationalisation, the providers of the necessary conditions for internationalisation, and "enablers" setting them in their internal or external context. The findings on stages show how NGOs, like businesses, vary from the suggested route; how they may be more suited than firms to progressing to stage five and introduces the rather different path followed by federations.

This thesis opens up a hitherto largely ignored, but fast developing field, that of the management of NGO internationalisation; it is hoped that it will encourage further research into the international development of NGOs, that are increasingly important actors, in both helping to shape and ameliorate some of the consequences of globalisation.

APPENDIX 1 Timetable

1998

9-25 April Exploratory interviews with four organisations.

April to Sept. Questionnaire devised and refined.

20 October Pilot questionnaire given out at international fundraising workshop Holland.

30 November Questionnaires returned. Phone calls and fax to last two respondents.

1999

20 February Seven out of nine questionnaires returned.

26 June Questionnaires revised and sent out by 28th.

19 July UK return date.

9 August Overseas return date.

26-30 July UK telephone follow-up.

August 8 Postcard follow up to all non-responders UK

End Aug Postcard follow up to overseas non-responders.

October Data entry onto SPSS.

November Data analysis begins on SPSS.

APPENDIX 2 Recipients of Pilot Questionnaire

The questionnaire itself was tested in October 1998 by being given out to:

Dwight W Mihalicz, Director Revenue Generation Department, International Federation of Red Cross and Red Crescent Societies

Darryl Upsall, International Fundraising and Marketing Director, Greenpeace International

Mary Fraser, Executive Director, European Foundation for Osteoporosis

Richard Hamilton, Executive Director, The International Federation of Multiple Sclerosis Societies

Dr John Erickson, Executive Director, The United Bible Societies

Mario Fetz, Director of Fundraising and Marketing, World Wide Fund for Nature (International Secretariat)

Michael Lake, Director, Help the Aged.

Dr John Batton, Action Aid (subsequently Director AMREF).

APPENDIX 3 Covering Letter

26 June 1999

Dear

The international development of non-governmental organisations (NGOs) is an area lacking in academic study as I have seen from my work, in the past, with Oxfam, Friends of the Earth and Amnesty International (as Director of International Fundraising). Those of us who are directing the international development of NGOs often have little time to research the methods used by other NGOs or by commercial companies; instead we may work out our own methods unaware of those successfully employed elsewhere.

The enclosed questionnaire is designed to bring out details of your organisation's international development, so that a comparison can be made with the routes taken and income development strategies used by others. It also looks at the important external "drivers" which propel organisations towards globalisation. The questionnaire is being sent to key individuals in most non-governmental NGOs that have overseas branches or partners. I will circulate a summary of the main conclusions of the research to all those who take part.

I expect that this questionnaire will take you about an hour to complete but the results may save you many hours of work and perhaps help to save your organisation considerable time and trouble. Indeed, it may enable NGOs to develop internationally at a much faster and more efficient rate than before.

The results will also form the data for a PhD thesis on the globalisation of NGOs. This is being undertaken under the supervision of the Open University Business School, Milton Keynes, MK6 7AA, UK. The replies will be treated as confidential and results will be presented in aggregate form so that individual cases cannot be identified. Any information you give will not be associated with your name in any way.

Please call me if you have any trouble in filling out the questionnaire or wish to discuss the subject. Thank you.

Yours sincerely,

John Baguley MBA

PS My daytime phone number is +171 813 9999 at the Medical Foundation.

APPENDIX 4 Questionnaire

Converted from WordPerfect

QUESTIONNAIRE

I would be grateful if you could complete this questionnaire and return it to me in the envelope provided by 9th August 1999.

Filled out by Mr/Ms Job title:.....

Organisation Tel:.....

E-mail:.....

YOUR ORGANISATION'S INTERNATIONAL HISTORY:

Q1 1.1 Does your organisation have branches (you may call them sections, subsidiaries etc) overseas ? YES_ NO_
Branches are part of the same organisation situated overseas.

1.2 Does your organisation have partners (you may call them sister organisations) overseas ? YES_ NO_
Partners are legally separate organisations which choose to be associated with your organisation.

In the following questions , please give your answers by ticking the appropriate boxes on a scale of 1 to 5, with 1 being only negligible influence and 5 being very high influence

1.3 Why was your first overseas branch/partnership set up ?

	Negligible Influence		Medium Influence		Very high Influence
	1	2	3	4	5
To enhance campaigns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To enhance fundraising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To carry out projects eg to distribute funds overseas or carry out other programme work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other key reasons (please state below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....					

1.4 Does your organisation continue to set up branches/partnership ?

YES_ NO_

If yes, how influential are the following factors:

	Negligible Influence		Medium Influence		Very High Influence
	1	2	3	4	5
To enhance campaigns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To enhance fundraising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To distribute funds overseas or to carry out other programme work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other key reasons please state below	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....					

1.5 If no, then why have you stopped setting up branches/partnerships ?

.....

.....

1.6 How influential in your organisation’s first international development were the following:

	1	2	3	4	5
A request from overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To carry out programme/campaigning/fundraising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporters setting up branches overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential partners developing overseas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please state below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other.....

Q2 2.1 Approximately when was your first overseas branch/partnership set up ?
19.....

2.2 In which country ?

2.3 Why was this country chosen ?

2.4 How was the first branch/partnership setting up financed ? Please indicate the percentage of funds raised from different sources:

	0%	1-20%	21-40%	41-60%	61-80%	81-99%	100%
Grant from your organisation							
Local funds raised o’s eas							
Outside agency funds							
Other (please state below)							

Other

2.5 What is the most common pattern of financing branches/partnerships today ?
Please indicate the percentage of funds raised from different sources:

	0%	1-20%	21-40%	41-60%	61-80%	81-99%	100%
Funds from your organisation							
Funds raised locally							
Funds from an outside agency							
Other (please state below)							

Other.....

2.6 Before you set up your first branch/partnership approximately what percentage of your organisations income came from overseas ?

	0%	0-5	6-15	16 -25	26-50	>50
Overseas income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3 Please give a rough estimate if you do not know the exact number.

3.0 How many **countries** do you have branches/partners in today?
.....

3.1 How many overseas **branches/partners** did you have
In total about ten years ago ?
.....

3.2 How many did you have about five years ago ?
.....

3.3 How many did you have about three years ago ?
.....

3.4 About how many do you have now ?
.....

3.5 About how many are you likely to have in three years time ?
.....

3.6 About how many are you likely to have in five years time ?
.....

Q4 Please estimate approximately how many financial supporters (you may call them supporters, members or donors etc.) do your branches/partners currently have:

4.1. Approx the total number in all o’s seas branches/partners
Don’t know

4.2. Approx the total numbers in the largest five branches/partners:

	Country	Number
1.	
2.	
3.	
4.	
5.	
Don’t know		

Q5 5.1 What were the major steps, key stages or significant changes in your organisation as it developed internationally ? Please list in order of importance, with 1 being the most important, up to five key changes that your organisation went through as it developed overseas.

	Approximate date:	Internal event:
1.
2.
3.
4.
5.

Please continue on a separate sheet if more space is needed.

THE OFFICIAL HISTORY:

Q6 6.1 Do you have a written history of your organisation ? YES _ NO _
Title (of book or article) ?
Author ?

Publisher ?
Country published ?
ISBN number

.....
.....Year 19.....
.....

Q7

7.1 Do you have a written history of your overseas development ? YES_
NO_

Title (of book or article) ?
Author ?
Publisher ?
Country published ?
ISBN number

.....
.....
.....Year 19.....
.....
.....

LEGALITY & OVERSIGHT:

Q8 8.1 What is the legal relationship, if known, between your headquarters and overseas branches/partners ? Please tick the appropriate box.

	Franchise of logo / trademark	Legal agreement on policy	Contract to provide service	Other (please specify below)
All branches				
Some branches				
Few branches				

Other.....

8.1 How does your organisation exercise management control over its branches/partners ?

Please estimate the use of each as a method of control, by putting a tick in the appropriate box.

	Not used	Rarely used	Used sometimes	Used a lot	Only method
International committee					
International division					
Home country director/CEO					
Other (please specify below)					

Other

8.3 How much control does your organisation exercise over its branches/partners ? Please use the scale of 1 to 5 with 1 being negligible control to 5 being very high degree of control.

	Negligible		Medium		Very
High	Influence		Influence		
Influence	1	2	3	4	5
Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Day to day activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8.4 In which areas, if any, do your overseas branches / partners report to HQ?

Total of funds raised	<input type="checkbox"/>
Amount of funds raised by source	<input type="checkbox"/>
Total expenditure	<input type="checkbox"/>
Expenditure on fundraising	<input type="checkbox"/>
Programme achievements / objectives	<input type="checkbox"/>
Areas of concern or under performance	<input type="checkbox"/>
None	<input type="checkbox"/>
Other (as below)	<input type="checkbox"/>

Other.....

8.5 Please add a copy of the reporting document if a form is used. YES_ NO_

10.2 List the main sources of income for your overseas branches/partners.
Please give approximate percentage if known.

	0%	1-25	26-50	51-75	76-99	100
Locally raised	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raised from international bodies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Home country contribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please state below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....						

10.3. Of any locally raised income please give an indication of how much is raised from the following sources :

	0%	1-25	26-50	51-75	76-99	100
Individual supporters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local trusts or foundations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please state below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other						

DECISION MAKING:

Q11 11.1 To what extent do your branches/partners take part in your organisation's decision making process ?

	YES	NO
Via election to international council	<input type="checkbox"/>	<input type="checkbox"/>
Via consultation	<input type="checkbox"/>	<input type="checkbox"/>
Via delegation to an AGM	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>
Other		

EXTERNAL INFLUENCES ON INTERNATIONAL DEVELOPMENT:

Q12 12.1 Which were the most important external factors that influenced your organisation’s international development ? Please give up to five in order of importance. For example: The break-up of the Soviet Union, the end of apartheid in South Africa or the speed up of global communications.

	Year	External event
1.	19.....
2.	19.....
3.	19.....
4.	19.....
5.	19.....

In the following questions please score each question from 1 to 5 with 1 being only negligible influence and 5 being very high influence.

12.2 To what extent have the following cost factors influenced your organisation’s development overseas ?

	Negligible Influence	Medium Influence			Very high Influence	
		1	2	3	4	5
Economies of scale in fundraising e.g. cheaper newsletter costs		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower costs for campaigning work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower costs for programme work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lower labour costs overseas		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The increasing costs of developing new fundraising/campaigning programmes		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other cost considerations (please specify below)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other						

12.3 To what extent have the following political actions influenced your
organisaton’s internationalisation.

	1	2	3	4	5
The lowering of trade barriers e.g. the ease of making international payments remittances etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The creation of trading blocks like ASEAN, NAFTA, EU e.g. the ease of setting up branches across Europe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The decline in the social role of governments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The fall of the Berlin Wall and opening of Eastern Europe.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Democracy in South America.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The growth of independent economies in East Asia.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The growth of intergovernmental bodies eg EU, IMF, World Bank.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other political actions (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....					

12.4 How have the following competition factors influenced your organisation’s internationalisation.

	Negligible Influence	Medium Influence			Very High Influence
	1	2	3	4	5
Competing for funds internationally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competing for funds at home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competitors internationalising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The increased ease for NGOs to link with overseas partners or form branches The formation by organisations of globally strategic partnerships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The competition for international recognition eg with the UN.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ability to organise international campaigns due to global media.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other competition factors (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....					

12.5: How far have the following forces influenced your internationalisation.

	1	2	3	4	5
Prompts from overseas supporters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The existence of overseas funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fundraising opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The need to be seen to be active overseas eg for legitimacy / credibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Programme needs overseas eg the need to respond to social problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other market factors (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other					

12.6 How far have the following technological factors influenced your organisation's internationalisation ?

	Negligible Influence 1	2	Medium Influence 3	4	Very High Influence 5
The ability to exploit databases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The development of e-mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ease of moving funds globally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of international communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of transferring knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of international travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....					

12.7 How far has social change* in the following regions affected your organisation's internationalisation.

	1	2	3	4	5
Asia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
East Asia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
N. America	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
S. America	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Africa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Europe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
W. Europe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other.....					

* By social change I mean the changes in peoples lives not those of companies or governments eg poverty in Eastern Europe, the break-up of family life in East Asia, personal affluence in the tiger economies etc.

Q13 13.1 How influential do you think the following factors have been in the international development of your organisation ?

	Negligible Influence		Medium Influence		Very High Influence
	1	2	3	4	5
The convergence of worldwide professional salaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Similarly, the convergence of lifestyles.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ease of producing standard fundraising products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel creating global donors and supporters etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organisations becoming global customers / suppliers.					
Eg governments part funding projects worldwide.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth of global/regional marketing and distribution eg the growing ability to use similar direct mail.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The establishment of world brands.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The push to develop advertising on a global scale as part of establishing world brands.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The effect of world media eg CNN.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please state below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other.....

Q14 14.1 Which of the following best describes your organisation ? Please tick the appropriate box.

- Campaigning organisation☐
- Grant making organisation☐
- Umbrella organisation☐
- Service provider☐
- Other (please state below)☐

Other.....

15.3 Please indicate the order in which these stages were reached by adding the appropriate letter to the numbers below.

Do indicate if you have retreated back from certain stages by repeating the appropriate letter. For example if an organisation had supporters living overseas, then set up branches of those supporters and started fundraising locally but later closed the branches. Your answer would then read:

1.A 2.C 3.D 4.A etc

STAGES OF DEVELOPMENT:

1..... 2..... 3..... 4..... 6..... 7..... 8..... 9..... 10..... 11..... 12.....

15.4 Any additional comments on the stages of development your organisation has passed through.

.....

.....

.....

.....

THANK YOU FOR COMPLETING THE QUESTIONNAIRE:

If you would like to add any additional comments please continue on a separate sheet of paper. If you have any difficulty in answering any questions please feel free to call me on 01727 762 998 where you can leave a message or at my e-mail address: jbaguley@CompuServe.com

Please return the questionnaire in the envelope provided to: John Baguley, 7 Vesta Avenue, St Albans, Hertfordshire, AL1 2PQ *by 9th August 1999*

APPENDIX 5**Non-Response Bias**

The questionnaire was sent to NGOs which can be placed in three groups according to national location i.e. those from the UK, the US & Canada and the rest of the world (though this is principally Europe).

Of the 148 sent to UK addresses 44 were returned and 37 of those were usable (6 were marked inappropriate in some way).

Of the 53 sent to the US & Canada 10 were returned but only 2 were usable (7 were marked inappropriate in some way, 1 was blank).

Of the 138 sent to non UK/US/Canadian addresses 16 were returned and 12 were usable (5 marked inappropriate in some way).

Outside the UK it was much more difficult to judge from the descriptions in lists available if the NGOs were likely to have branches or partners or to be federations. Therefore it is possible that a considerable number of those who received the questionnaire were not part of the universe of subjects. Indeed, some of the US NGOs mentioned this as a reason for not filling in the questionnaire (see details below).

This may be true of the non UK/US/Canada countries because of the historical lack of development of their NGO sectors. There may, however, be many NGOs surveyed who have the potential to develop internationally. These will usually be making donations or grants overseas and therefore look like proper subjects from their titles.

Similarly, as discussed elsewhere, the US is undeveloped in NGO internationalisation compared to the UK possibly because for historical reasons (having been an empire) UK NGOs have found it easier to establish branches overseas. US development agencies may tend to make grants without setting up a local structure.

Any non-returns may, if they had been returned, be heavily biased away from the results of the actual returns. Therefore one cannot categorically state that the returns represent the universe. Bounds can sometimes be put on the possible distortion; but in this case with usable returns of 51 out of 339 questionnaires sent out that is not possible. For example, the 51 could have all said "yes" to one question but the remaining 288 may answer "no". If the 51 NGOs are not dissimilar to the 288 it is, of course, likely that the responses to the questions will be similar.

Written responses

The following list gives the written reasons for not filling in the questionnaire that NGOs gave at the time.

UK

World Vision:	Passed to their WV Partnership NGO.
Welsh Centre:	Purely educational
Barnardos :	No international plans but associated charities in Australia and New Zealand
CAFOD :	Development agency using local partners only
USPG :	No branches

Plan International: No resources to answer

IBT: Educational only

One World Action: Gone away

US & Canada,

American Express - US: No branches/partners

McLellan Foundation - US: No branches/partners

Joyce-Mertz Gilmore - US: No branches/partners

Wild Rose Foundation – Canada: Only funds Canadian o’s seas NGOs work

Koch Foundation – US: Decided not to participate

ASOR – US: Sister orgs o’s seas only

Near East Foundation –US: Does not fit survey – no “branches”

CCI - Canada: Gone away

Non UK / US,

Sasakawa – Japan: Grant making only

FundacaoSerralves – Portugal: No overseas branch / partner

IEF Geneva – Switzerland: Discontinuing activities

Postcards,

Pestlozzi - Switzerland: Cannot help

Doen – Holland: Cannot help

Twelve out of the 21 organisations above were inappropriate due to their structure.

Subsequent analysis of other NGOs (who did not reply at all) from Germany, France and the US shows that only 3 out of the 13 organisations researched had the appropriate structure to fill out the questionnaire.

USA

Sierra Club	Only USA - no branches
International Youth Foundation	Has a global network of Foundations ie appropriate
Salve Foundation	Grant making only - no branches
Rainforest Action Network	No true partners, no branches, just associated Ngos
Stanley Foundation	Only "self conducted programmes"

Germany

Schweisfurth Foundation	Grants: projects, ecology conferences. No branches
Institute Gothe	No branches - spread of German language, culture.
Stiftung Kinder in Africa	No branches - grant making to indivs and assocs.
Stiftung Deutsches Ubersee-Institut	No branches - self conducted programmes.

France

Handicap International	Grant making but a few partners.
Freres des Hommes International	Supports local groups - some affiliated orgs.
IU for HP&E	Federation of Individuals very few associates

This would tend to indicate that non-response was largely due to the inappropriate structure of the NGO to whom the questionnaire was sent i.e. they were not federations and did not have branches or partners.

12 out of 21 organisations' reasons for not filling in the questionnaire were due to their structure being inappropriate (and 9 appropriate). In the above analysis only 3 out of 13 organisations investigated were in fact appropriate.

Taking 12 from 288 leaves 276 NGOs. Taking 3 out of 13 as 23%. Then 23% of the remaining 276 is 63 organisations. Adding back the 9 organisations gives 72 appropriate organisations who could have responded.

Usable returns of 51 with appropriate non-responders of 72 makes it rather more likely that the results are representative. It would have been possible to use only the returns from the UK, but the low numbers would mean that the more in depth analysis could not be undertaken as the results would not be significant.

Outside the UK, US and EU distance may have made the questionnaire seem less personally relevant, and respondents therefore less likely to take the time needed to fill out the questionnaires, which may also have played a part in lowering response.

It is possible, however, that the returned questionnaires represent the bulk of appropriate organisations and, if the sources for the lists of appropriate NGOs used also contain most of the appropriate NGOs, then the results of the questionnaire are likely to be applicable to a large proportion of the kind of international NGOs investigated.

APPENDIX 6 Coding and analysing the measures

The statistical software SPSS (version 7.0) was used to hold and analyse the data. Each questionnaire, i.e. each case or NGO, received its own row and the variables were labelled with individual headings for each question or sub-question. For example, on the questionnaire, question 10 was broken down into questions 10.1, 10.2 and 10.3. On SPSS the answers to questions 10.2 and 10.3 were further broken down into their component questions. In question 10.2 this consisted of three separate variables and a further variable for any possible answers to the "other" question. Similarly, question 10.3 consisted of five variables, representing the individual questions asked and a variable to cover any answers to the "other" question.

Proposition 1:

1. The drivers variables, for which the measures are detailed above, are in questions 12.1, 12.2, 12.3, 12.4, 12.5, 12.6, 12.7 & 13.1. These are all on Likert type scales of 1 to 5 (1 being negligible influence and 5 being very high influence) so the appropriate number (from 1 to 5) was entered under each variable. The mean was then easily determined by SPSS adding up the total under each variable and dividing by the number of cases represented.

2. Similarly the data regarding the clusters of drivers (represented by different sub question numbers e.g. 12.6) were added together before being divided by the total number of cases represented for SPSS to determine the mean.

Determining the fastest internationalising NGOs

3. Regarding the branch number variable re question 3, (on the number of branches 10, 5, 3 years ago and now) the replies to each year were treated as separate variables and inputted as the numeral given i.e. if there were 150 branches ten years ago then 150 was entered. The rate of internationalisation was calculated as given earlier, and the top and bottom quartile were then selected for comparison with each other regarding their mean scores to the various questions.

Coding different kinds of NGO

4. A variable was set up for each different type of NGO that was selected to take part in the survey. The categories used were medical, development, campaigning, church, and child centred NGOs. It is recognised that many NGOs may function in one or more of these categories but their primary focus was usually quite clear, for example, Save the Children is both a childrens' charity and a development organisation but as it is primarily child focussed this was the category used. The variable describing each organisation (question 14.1) also helped to make some distinctions. The literature used to collect the NGOs names and addresses also contained brief descriptions of their activities and these were the primary source of categorisation. The status of each organisation was listed as campaign, church, medical, develop or child with "aid" and "advice" added as the NGOs in these categories did not seem to fit any other.

The mean was again used to determine if different types of NGO had different results.

Proposition 2:

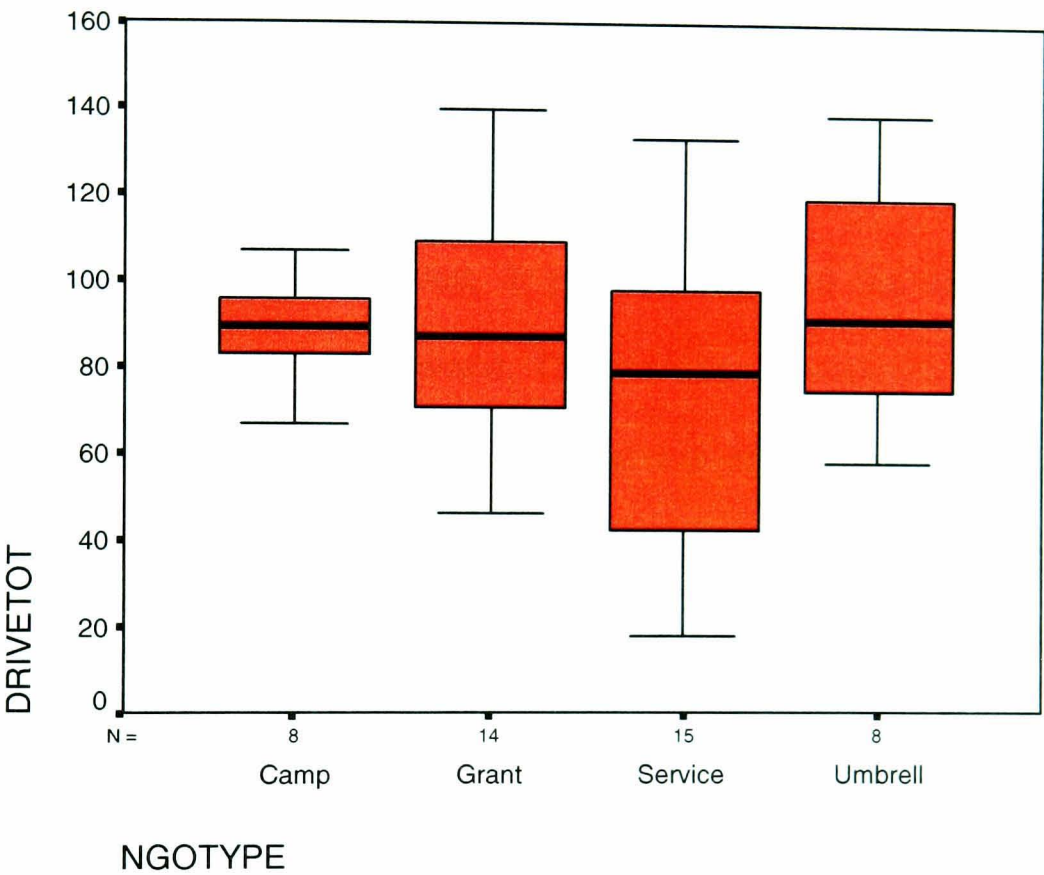
1. The answers to the stages question (question 15) were recorded in alphanumeric form in the order given. Letters G, H and I were used to avoid confusing those taking part by allowing them to enter a stage they would be familiar with. B and C for purposes of comparison the same stage with a separate letter for branches or partners. G was also the same stage for purposes of comparison i.e. setting up offices overseas though different from setting up branches in that the offices will be directly staffed is the same in terms of stages because the work carried out is the same both situations representing the stage when businesses open up overseas (either to manufacture, provide services or to retail).

The order of the remaining five stages could then be examined and the most frequent order compared to the order of Ohmae's stages.

2. Stratified sampling was also be used to see if different kinds of NGO have different routes to internationalisation.

APPENDIX 7 Boxplots

Boxplot 1
NGO Types.
See Chapter 5



Case Processing Summary

		Cases Valid		Missing		Total	
DRIVETO	NGOTYPE	N	Percent	N	Percent	N	Percent
T	Camp	8	100.0%	0	.0%	8	100.0%
	Grant	14	73.7%	5	26.3%	19	100.0%
	Service	15	100.0%	0	.0%	15	100.0%
	Umbrell	8	100.0%	0	.0%	8	100.0%

APPENDIX 8 Case Study Descriptions

The Karuna Trust

The Karuna Trust interview was with Johnathon Clark their Director of Fundraising. The Karuna Annual Report for 1997-98 states that, “Karuna is an ancient Indian word meaning compassion. In the Buddhist tradition karuna is the active, spontaneous response of wisdom when it encounters suffering in the world.” The Karuna Trust aims to embody this idea through projects which respond, in practical ways, to the suffering of some of the most disadvantaged people in the world. This includes educational, health and cultural projects.” Though Karuna has not looked outside India to establish new projects, its activities in India (which is a sub-continent) are, for all practical purposes, the same as the international development of organisations, which covers several countries but perhaps in a smaller geographical area.

The Karuna Trust began life as Aid for India in 1980. This organisation was established in the UK by David Zukas to raise funds for health and education in India. It was, and still is, administered by Western Buddhists. The focus of this early work was the former untouchables who had followed Dr Ambedkar in conversion to Buddhism in 1956. The idea for the charity grew out of the work of English Buddhists (the Friends of the Western Buddhist Order) living in Pune (Poona), in the late 1970s, who had been asked to teach Buddhist Theory and practice to the followers of Dr Ambedkar.

Early investigations, which concentrated on child health by request of the local population (of the slum districts of Dapodi outside Pune) found high levels of malnutrition, low rates of

vaccination and much night blindness due to vitamin A deficiency. Some of the health problems were also exacerbated by poor traditional infant feeding practices. Help was delivered through the recruitment of a team of local health workers. Later it was realised that services including education were not being accessed by the former untouchables, often because of their status. One key project was the establishment of a kindergarten which issued educational certificates. These were accepted by government schools in lieu of birth certificates. The idea then spread to many other districts.

Soon after, Karuna began to establish hostels for high school students to enable them to access government provided education. Poor rural children as well as those from the slums attended these hostels. The hostels also provided cultural activities. By 2000 Karuna contributed to 18 hostels and supported projects in 8 of the Indian States.

The growth has also brought difficulties, with the early partner organisation finding it hard to be flexible and to be responsive to changing circumstances. Some of the larger programmes are now changing the way they are organised in order to retain close links between those taking organisational responsibility and the local communities that benefit from the projects. In the mid-90s the rapid development across a wide network of provinces was judged to be too fast “and the brakes were put on”. One organisation in India had controlled most activities; but that was changed towards decentralisation. Some 20% of funds were given to other organisations. Funds were then sought by those in India from fellow Buddhists in Taiwan who answered very generously. Today help is given to partners by applying to DIFD, EU and UK charitable trusts for their projects. Karuna is thereby acting as a broker for these partners.

The Karuna Trust also funds a large variety of projects run by a number of Indian partner organisations. These reflect the changes in India over the 20 years since the Trust was established. There are now, for example, many people from low caste backgrounds who are respected professionals and academics. However, poverty and social disadvantage are still realities for millions of Indians. It is now perceived to be much harder to raise funds for social projects in India than in the 1980s. This may be due to generational changes. Those who came of age in the 1960s (who supported Karuna in its early years) were very aware of India and responsive to its needs.

New projects include community saving schemes and co-operative banks. Partners may be organisations like the Centre for Learning Resources, which helps the children in migrant labourers, in Maharashtra, to return to school; or like Asvagoshar, established in the early 1990s, which helps to develop culture activities in poor communities in Nagpur. One of the longest running projects supported by Karuna is the Indo-Tibetan Buddhist Cultural Institute School. This institution was set up in 1957 by the Tibetan Lama, Bhardo Rimpoche, to provide a basic education for the children of some of the poorest Tibetan families. It also places great emphasis on the study of the Tibetan language and traditional forms of culture such as music and dance alongside a modern curriculum.

Africa Now

The Africa Now interview was conducted with Patricia Morland the Director. Africa Now is operational in Kenya and Zimbabwe. They have branch offices in both countries and work through local "partners". These partners are grant recipients and do not bear the Africa Now name. The first branch was set up in Kenya, in 1981, due to its colonial and language links to

the UK. There are no surviving records in the office or books etc written about the organisation. The Director is currently researching the organisation history but this is expected to take some time. There are 10 staff members.

Africa Now helps disadvantaged and unskilled communities towards self-sufficiency by providing grants and low-interest loans to small-scale self-help economic and technological and agricultural projects. Projects are expected to be self-sufficient in 3-5 years and to be replicated elsewhere. Programmes include supplying communities with clean water, producing long-life cultured milk, processing seed into edible oils, and encouraging family planning. Also several initiatives specifically designed to support women's groups, and a scheme to provide small business loans to locally run projects.

Over a 20 year period, Africa Now worked in Kenya, Egypt, Uganda, Tanzania, Zimbabwe, The Gambia and Swaziland. They are currently focussing on work in Kenya and Zimbabwe having just withdrawn from the Gambia. That withdrawing was because there were "too many NGOs in the Gambia" and "they were moving out of the reproductive health field". Contraction has been for economic reasons rather than problems with branches.

Cost alone holds back expansion. The Kenyan Office looks after projects in Uganda and the Zimbabwe Office looks after projects in Malawi. Working from branches has much improved relations with major donors like DFID "who now know us well". It has also enabled much closer relationships to be established with partners. This has been helpful in spotting problems early on and ensuring that projects do not collapse for avoidable reasons. It has helped to have branches on the ground to find and investigate new projects.

Leonard Cheshire International

The Leonard Cheshire International (LCI) interview was with Mark Kelly the International Development Officer. Leonard Cheshire founded the organisation in 1948 in the UK. It supports over 240 services for disabled people in over 50 countries. Originally developed from his concern for a man dying of cancer, it evolved into an organisation helping disabled people with a strong ethos of the disabled taking care of their own lives as far as possible. The first home was at Le Court, Hants. The Cheshire Trust was formed in 1952.

In 1955 Leonard Cheshire was asked by a Scotsman living in India to develop a Cheshire Home in India. On being given land to build Leonard Cheshire organised the construction of a building in Bombay. This was a self sufficient operation from the start and all subsequent homes have been paid for and run locally. The first home was in Bombay and others followed in India soon after. Each service is now run by a local committee working within their national structure; where there is more than one service, the local services are co-ordinated by a legally constituted national board or council.

The next overseas home was set up in Nigeria - the early countries tended to be in the Commonwealth. Leonard Cheshire's father had trained lawyers in the UK many of whom were from overseas and who subsequently had become very influential in their own countries. It was such a Chief Justice in Nigeria who requested help in 1959. Again the home was set up on a self-sufficient basis. Some services now receive government funding but the majority rely

on voluntary donations. Leonard Cheshire International supports over 240 services for disabled people and their families in over 50 countries.

There are currently nine geographical regions. Regional Councils are made up of representatives of the countries where there are services within the region. There are currently five Regional Councils, which have a communication and co-ordinating role rather than a management role.

The first chairmen of Cheshire Homes were often lawyers. Lord Denning was the first UK Chairman of Cheshire Homes. The charity was set up as the Leonard Cheshire Foundation for the relief of suffering. The disabled ran each residential unit as their own home. Today the charity is moving away from residential care towards empowering disabled people to stay in their own homes, and for their children to go to school locally with the adults finding work and having more say in running their own lives

International development took off in the 1970s with an International Director, though Leonard Cheshire International does not have a management role in relation to its overseas services. Leonard Cheshire died in 1992. In 1994 a “Common Charter” for all the Homes was set up. This was for the UK as well as overseas and emphasised the role of disabled people in running the homes and making decisions affecting their lives. There is now an “International Standards Guideline” document (1999), which further strengthens the identity of the organisation internationally.

In 1996 Training & Development Offices were established. These tended to be staffed by local people. There are five in place with three in Africa. They help to empower disabled people, build the capacity of local services and train staff in care and rehabilitation services. The offices are resourced and managed by LCI.

Local partners use the name Cheshire Home, which is not always registered as a trade mark. This has not so far caused problems. LCI does, however, give advice on practice and management (organisational development). Very occasionally a partner may decide to stop being a Cheshire Home e.g. in Eritrea when the government assumed responsibility for many services. LCI now provides for the development and expansion of Leonard Cheshire services worldwide. This is by funding or accessing resources from external donors for services' projects, and through the International Training and Development programme. LCI operates as the international arm of the UK based organisation. The International Director, who reports through the International Committee to the Leonard Cheshire Trustees, manages LCI.

International Planned Parenthood

The International Planned Parenthood Foundation (IPPF) interview was with Dr M Busidi, Director Resource and Programme Development. Founded in 1952. IPPF is a federation of national family planning organisations. It has member organisations in 152 countries. IPPF works to improve sexual and reproductive health worldwide. It began in 1952 when a meeting of 8 national family planning associations (FPAs), meeting in Bombay, at the Third International Planned Parenthood Conference, decided to form a federation. These included India, Netherlands, Singapore, Hong Kong, Sweden, West Germany, UK and US. This was

followed by a meeting in Stockholm in 1953 and then ratified the establishment of the Federation in the UK (following the work of such pioneers as Mary Stopes).

In 1954 the first four regional offices were established in their respective regions. In the early years FPAs spread rapidly in Europe and South East Asia. At this stage individuals or groups sought help in setting up association or asked to join the Federation. 1957 the first grants were made by the Governing Body. In 1962 the UN General Assembly reaffirmed the relationship between population and economic development. In 1964 IPPF was granted consultative status by the UN Economic and Social Council. In the 1960s the US assisted with this development “thinking that family planning would prevent social revolution”. The UN also established a trust fund for work in the population field and the US authorised foreign aid funds for family planning. In 1968 USAID gave \$3.5m to IPPF. In 1971 Africa Region came into being and the Middle East and North Africa Region were established. In 1981 the secretariat was re-organised with the Regional Directors for Europe, Indian Ocean and Middle East and North African Regions transferred to the International Office in London.

1984 US core funding of IPPF cut off. In the 70s and 80s there were a large number of international conferences attended by medical professionals, which sparked the formation of new associations in each country that did not have one. There are, however, still a very limited number of countries with no association e.g. in parts of the former Soviet Union and some of the Gulf States. China and Tunisia were the first governments to set up FPAs. There are strong religious and political considerations to family planning. For example, many governments are unwilling to upset the Catholic faith and extreme right and left wing establishments view family planning with suspicion. The family planning movement is also grounded in human

rights work and associations are often supported by lawyers. In Colombia, before the recent visit by the Pope, the Head of State said in this connection "If the Pope is provocative we will tell the people to demonstrate". This is most unusual as only 8 Heads of State, and only 47 Governments, had signed the 1974 UNFPA declaration. There is, in practice, little religious opposition. In 1971, 80 religious leaders from the Moslem world came together in a conference to bring out and make clear the lack of opposition to family planning in the Koran.

In the 1980s the Federation worked to create new associations in certain areas. In particular it concentrated on Sub-Saharan Africa and it "lobbied to allow the creation of associations". Work was also done in relation to North Africa and the Mahgreb countries where registration needed government approval.

Today there are in-country family planning associations in 152 countries and over 180 governments have a family planning or population policy. The associations are grouped into six regions. Each region has a Regional Council elected from the national associations and IPPF itself has a governing body (the Governing Council) with five representatives from each of the six the Regional Councils. These five individuals must be two women, two men and one person under 25 years of age. The Governing Council sets policy and decides resource allocation. IPPF forms the Unified Secretariat, which manages the movement.

BIBLIOGRAPHY

- Aaker, D. A. (1997) *Building brands without mass media*, Harvard Business Review, 75 (1), 39-50.
- Anderson, O. (1993) *On the internationalisation process of firms: A Critical Analysis*. Journal of International Business Studies, 24(2): 209-234.
- Anheirer, H.K. Glasius, M. Kaldor, M. (2001) *Global Civil Society 2001*. Oxford University Press. Oxford.
- Anheirer, H.K. (2002) *Foundations and the Third Sector in International Perspective: An Overview*. The International Foundation Directory, London. Europa.
- Ashman, D. (2001) *Strengthening North-South Partnerships for Sustainable Development*. Nonprofit & Voluntary Sector Quarterly. Vol. 30. Issue 1. p74. 25p. Mar.
- Backman, E. V., Grossman, A., & Rangan, K. V. (2000) *New Directions in Nonprofit Strategy*. Nonprofit and Voluntary Sector Quarterly, 29(1).
- Bartlett, C. A., & Ghoshal, S. (1989) *Managing Across Borders*. London: Random House.
- (1994) *The changing role of top management: beyond strategy to purpose*. Harvard Business Review, 72 (6): 79-88.
- (2000) *Transnational Management*. Boston: Irwin/McGraw-Hill.
- Batsleer, J. C., Chris. Paton, Rob. (1992) *Issues in Voluntary and Non-profit Management*. Milton Keynes: Open University.
- Bell, J. McNaughton, R. and Young, S. (2001) *Born-again global firms: an extension to the 'born global' phenomenon*. Journal of International Management, 7, 3, 1-17.
- Bell, J. Fletcher, R. Ibbotson, P. and McNaughton, R. (2001) *Utilising new information technologies to develop future international entrepreneurs and improve the international competencies of entrepreneurial firms: a case example of cross-national collaboration*. European Foundation for Management Development 31st European Small Business Seminar, CD-ROM, 13 pp.
- Bernd, H. Marc, J. and Irvine, L. (2004) *Challenges in Managing Nonprofit Organisations: A Research Overview*. Voluntas; June, Vol 15 Issue 2, p101, 16p
- Bilkey, W. J., Tesar, G. (1977) *The export behaviour of smaller sized Wisconsin manufacturing firms*. Journal of International Business Studies, 8(1): 93-98.
- Block, S.R., Rosenberg, S. (2002) *Towards an Understanding of Founder's Syndrome: An Assessment of Power and Privilege Among Founders of Nonprofit Organisations*. Nonprofit Management & Leadership. Vol. 12. Number 4. Summer.

- Brown, D.L. Kalegaonkar, A. (2002) *Support Organisations and the Evolution of the NGO Sector*. Nonprofit & Voluntary Sector Quarterly. Vol.31. Issue 2. Jun.
- Bryson, J. M. (1995) *Strategic planning for public and nonprofit organizations* (2nd ed.). San Francisco: Jossey-Bass.
- Buckley, P.J., Casson, M.C. (1985) *The Economic Theory of Multinational Enterprises*. London: McMillan.
- (1976) *The Future of the Multinational Enterprise*. London: Macmillan.
- (1979) *A theory of International operations*. In Gherman, M., Leontiades, J. (Ed.), *European Research in International Business*: 45-50. London: North-Holland.
- Buckley, P. J. (1983) *New theories of international business: some unresolved issues*. In Casson, M.C. (Ed.), *The Growth of International Business*. London: Allen & Unwin.
- Burt, E. Taylor, J. (2003) *New Technologies, Embedded Values, and Strategic Change: Evidence from the UK Voluntary Sector*. Nonprofit & Voluntary Sector Quarterly. Vol. 32. Issue 1. p115. 13p. Mar.
- Butler, R.J., Wilson, D.C. (1990) *Managing Voluntary and Non-profit Organisations: Strategy and Structure*. London: Routledge.
- Carpenter, M.A. Pollock, T.G. Leary, M.M. (2003) *Testing a Model of Reasoned Risk Taking: Governance, the Experience of Principles and Agents, and Global Strategy in High-Technology IPO firms*. Strategic Management Journal. Vol. 24. No. 9. Sept.
- CAF. (1995) *Dimensions of the Voluntary Sector*. London: CAF Publication.
- Casson, M. C. (1982) *Transaction costs and the theory of multinational enterprise*. In Rugman, M.A. (Ed.), *New Theories of the Multinational Enterprise*. New York: St Martin's Press.
- Chairman, (1999) "Leonard Cheshire Strategic Objectives". London: Leonard Cheshire.
- Charity Commission, C. (2001) *Registering as a Charity*: 7. London. Charity Commission.
- Clark, T. A. R., Pugh, D.S. and Mallory, G.R. (1997) *The Process of Internationalization in the Operating Firm*. International Business Review, Vol 6(No 6): 605-623.
- Clark, T. A. R., Mallory, G.R. (1992) *The Stages Theory of Internationalization: A Theoretical and Empirical Critique*. Paper presented at The British Academy of Management Conference, Bradford.
- (1995) *Strategic Choice on the Internationalization of Firms*. London: McMillan.
- Coase, R. H. (1937) *The nature of the firm*. Economica (4): 386-405.

Cohen, L., Holliday, M. (1982) *Statistics for Social Scientists*. London: Harper & Row.

Compass, (2001), "Getting to Work". Compass Magazine, Vol 7, March-May. Leonard Cheshire.

Courtney, R. (2002) *Strategic Management for Voluntary Nonprofit Organisations*. Routledge, New York.

Cox, H., Clegg, J., & Grazia, I. G. (Eds.). (1993) *The Growth of Global Business*. London: Routledge.

Craig, C.S., Douglas, S. P. (1996). *Responding to the challenges of global markets: change, complexity, competition and conscience*. The Columbia Journal of World Business, Winter, 1996, pp. 6 - 18.

----- (1992) *Advances in International Markets*. International Journal of Research & Marketing, 9: 291-318

Czaja, B., Blair, J. (1996) *Designing Surveys: A guide to decisions and procedures*. London: Sage.

Dillman, D. A. (1978) *Mail and Telephone Surveys: The total design method*. New York: Wiley.

Ditcher, T. W. (1999) *Globalisation and Its Effects on NGOs: Efflorescence or a Blurring of Roles and Relevance?* Nonprofit and Voluntary Sector Quarterly, 28(4): 40.

Donaldson, & Thomas. (1989) *The Ethics of International Business*. Oxford: OUP.

----- (1997) *Business Ethics & Social Contracts*. Harvard: Harvard University Press.

Douglas, S., Wing, Y. (1987) *The Myth of Globalization*. Columbia Journal of World Business, 22(4): 19-29.

Douglas, S. P., Craig, C. S. (1989) *The Evolution of Global Marketing Strategy: Scale, scope & synergy*. Columbia Journal of World Business. 24(Fall): 47-59.

Dunning, J., McQueen, M. (1981) *The Eclectic Theory of International Production: A case Study of the International Hotel Industry*. Managerial and Decision Economics, 2(81): 197-210.

Dunning, J. H. (1993) *Multinational Enterprise & the Global Economy*: London. Addison Wesley.

----- (1987) *The Eclectic Paradigm of International Production: A restatement and some possible Explanation*. New Brunswick. Rutgers University Press.

----- (1997) *Governments, Globalisation and International Business*. Oxford, UK: Oxford University Press.

Dunning, J. H., Kogut, B., and Bhomstrom, M. (1989) *The Globalization of firms and the Competitiveness of Nations*. Haftad. Lund University Press.

Duysters, G. Hagedoorn, J. (2001) *Do Company Strategy and Structures Converge in the Global Market? Evidence from the Computer Industry*. JIBS. Vol. 32. No. 2. Second Quarter.

Erickson, B. H and Nosanchuk, T. A (1992) *Understanding Data*. Buchingham: Open University Press.

Europa. (1996) *International Foundation Directory*. London: Europa Publications.

Falk, R. (1999) *Predatory Globalization: A critique*. Cambridge. Polity Press.

Goerzen, A. Beamish, P.W. (2003) *Geographic Scope and Multinational Enterprise Performance*. Strategic Management Journal. Vol. 24, No. 13. Dec.

Ghoshal, S. (1987) *Global strategy: an organising framework*. Strategic Management Journal, 8: 425-440.

Greensmith, J. (2002) *Trends in Fundraising and Giving by International NGOs*. Paper presented at the International Fundraising Congress, Noordwijkerhout, Netherlands.

Hallen, L., Johanson, J., and Mohamad, S. (1987) *Relationship strength and stability in International and domestic marketing*. Industrial Marketing and Purchasing, 2(3): 22-37.

Hamal, G., Prahalad, C., K. (1989) *Strategic intent*. Harvard Business Review, 67(3): 63-76.

----- (1985) *Do you really have a global strategy ?* Harvard Business Review (July/August): 139-148.

Handy, C. (1992) *Types of Voluntary Organisations*, Issues in Voluntary and Non-profit Management. Milton Keynes: Open University.

Harman, C. (1996) *Globalization: a critique of a new orthodoxy*. International Socialism (Winter).

Heckscher, E. (1919) *The effect of foreign trade on the distribution of income*. Economist Tidskrift (21): 492-512.

Helmig, B. Jegers, M. Lapsley, I. (2004) *Challenges in Managing Nonprofit Organisations: A Research Overview*. Voluntas. Vol. 15. Issue 2. p101. 16p. Jun.

Helpman, E., Krugman, P. R. (1985) *Market Structure & Foreign Trade: Increasing Returns, Imperfect Competition and the International Economy*. Mass. MIT Press.

- Hennart, J. H. (1982) *A theory of multinational enterprise*. Ann Arbor: University of Michigan Press.
- Hildyard, N., Hines, C. and Lang, T. (1996) *Who competes - changing landscapes of corporate control*. The Ecologist, 26 (4): 125.
- Hill, S., Munday, M. (1994) *The Regional Distribution of Foreign Manufacturing Investment in the UK*, Basingstoke. MacMillan Press.
- Hout, T., Porter, M. E., and Rudden, E. (1982) *How Global Companies win out*. Harvard Business Review (Sept/Oct): 98-108.
- Hudock, A. C. (1997) *NGOs and civil society : democracy by proxy?* Malden, MA : Polity Press,
- Husia, R, Y-J. White, L.T. (2002) *Working Amid Corporatism and Confusion: Foreign NGOs in China*. Nonprofit & Voluntary Sector Quarterly. Vol. 31. Issue 3. p329. 23p. Sep.
- Hussey, J., Hussey, R. (1997) *Business Research: a practical guide for undergraduate and postgraduate students*. London: Macmillan Business.
- Hymer, S. H. (1976) *The International Operations of National Firms: A Study of Direct Investment.*: Mass. MIT Press.
- Imai, M. (1989) *The Key to Japan's Competitive Success*. London: Random House.
- IPPF, (1992) *Vision 2,000, Strategic Plan*. London: IPPF.
- IPPF, (1997) *IPPF and the World*. IPPF Technical Support Group. Terracotta Press.
- Johanson, J., Vahlne, J.E. (1975). *The Internationalization Process of the Firm: A Model of Knowledge Development and Increasing Foreign Market Commitments*. Journal of International Business Studies, 8, 1: 23 – 32.
- (1992): *The Mechanism of Internationalization*. International Marketing Review, 7, 4: 11-24.
- Johanson, J., Wiedersheim-Paul, F. (1975) *The Internationalisation of Firms: Four Swedish Cases*. Journal of Management Studies, 12(3): 305-322.
- Kearns, K. P., Scarpino, G. (1996) *Strategic Planning Research: Knowledge and gaps*. Nonprofit Management & Leadership, 6: 429-439.
- Kenan, P. B. (1965) *Nature, capital and trade*. Journal of Political Economy (73): 437-460.
- Kidger, P.J. (1991). *The Emergence of International Human Resource Management*. International Human Resource Management, vol. 2 (2), 149-163.

- Knight, G. C. (1996) *The born global firm: A challenge to traditional internationalisation theory*. *Advances in International Marketing* (8): 11-26.
- Knight, G. (2000) *Entrepreneurship and Marketing Strategy: The SME Under Globalisation*. *Journal of International Marketing*. Vol. 8. Issue 2. p12-32. Summer.
- Leontief, W. W. (1954) *Domestic production and foreign trade, the American capital position re-examined*. *Economia Internazionale* (7): 3-34.
- Levitt, B. M., J.G. (1988) *Organisational Learning*. *Annual Review of Sociology*(14): 319-340.
- Levitt, T. (1982) *The Globalization of Markets*. *Harvard Business Review* (May/June): 92-102.
- Lewis, D. (2001) *The Management of Non-Governmental Organisations: An Introduction*. London. Routledge.
- (2002) *Organisation and Management in the Third Sector*. *Nonprofit Management & Leadership*, 13(1).
- Lindenberg, M., Dobel, P. (1999) *The Challenges of Globalisation for Northern International Relief and Development NGOs*. *Nonprofit and Voluntary Sector Quarterly*, 28(4): 4-24.
- Lindenberg, M. Bryant, C. (2001) *Going Global: Transforming Relief and Development NGOs*. Kumarian Press, Bloomfield, CT.
- Luo, Y. (2001) *Towards a Cooperative View of MNC-Host Government Relations: Building Blocks and Performance Implications*. *JIBS*. Vol. 32. No. 3. Third Quarter.
- Mason, D. (1995) *Leading and Managing the Expressive Dimension: Harnessing the Hidden Power Source of the Nonprofit Sector*. San Francisco: Jossey Bass.
- Mauss, M. (1954) *The Gift*. New York: Norton.
- McKiernan, P. (1992) *Strategies of Growth: Maturity, recovery and internationalisation*. London and New York: Routledge.
- McRae, H. (1994), *The World in 2020: Power, Culture and Prosperity: a Vision of the Future*, HarperCollins, London.
- Mendenhall, M., Punnett, B. J. and Ricks, D. (1995) *Global Management*. London: Blackwell.
- Mintzberg, H., Waters, J. A. (1989) *Of strategies deliberate and emergent*. London. MacMillan.

Mueller, F. (1996) *Human resources as strategic assets: an evolutionary resource-bank theory*. Journal of International Human Resource Management, 33(6).

Nelson, P. (2002) *New Agendas and New Patterns of International NGO Political Action*. Voluntas: International Journal of Voluntary and Nonprofit Organisations. Vol.13. No.4. Dec.

NCVO. (2001) *The Voluntary Agencies Directory*. London: NCVO Publications.

OECD. (1991) *OECD National Accounts*. Paris: OECD.

Ohlin, B. (1933) *Inter-regional and International Trade*. Cambridge Mass: Harvard University Press.

Ohmae, K. (1985) *Triad Power*. Free Press, McMillan Inc.

----- (1991) *The Mind of the Strategist: Business Planning for Competitive*. London. Penguin Business Library.

----- (1994) *The Borderless World: Power and Strategy in the Global Marketplace*. London: Harper Collins Business.

----- (1996) *Triad Power*. Economic Outlook, 20(4).

Oster, S. M. (1995) *Strategic management for nonprofit organisations: Theory and cases*. New York: Oxford University Press.

Ouchi, W. G., Johnson. (1978) *Types of organisational control and their relationship to emotional well being*. Administrative Science Quarterly(23): 293-317.

Ouchi, W. G. (1991) *Markets, bureaucracies and clans, Markets Hierarchies and Networks: the Coordination of Social Life*. London: Sage Publications.

Paton, R., Cornforth, C. (1992) *What's Different about Managing in Voluntary and Non-profit Organisations*, Issues in Voluntary and Non-profit Management. Milton Keynes: Open University.

Perlmutter, H. V. (1969) *The Tortuous Evolution of the Multinational Corporation*. Columbia Journal of World Business, 4(1): 9-18.

Peters, T., J, and Waterman, R., H. (1982) *In search of excellence: lessons from America's best run companies*. New York: Harper Collins.

Peterson, B. B., Pederson,T. (2000) *Replacing the Foreign Intermediary*. International Studies of Management and Organisation, 30(1): 45-62.

Pfeffer, J. (1978) *Organisational Design*. Arlington Heights, Ill. AHM Pub Co.

- Phillips, E. M. and Pugh, D. S. (2001) *How to get a PhD* (3rd ed.). Buckingham: Open University Press.
- Pijl, K. Sminia, H. (2004) *Strategic Management of Public Interest Organisations*. *Voluntas*. Vol. 15. Issue 2. Jun.
- Plan International. (2001) *New directions in grants management*. Paper presented at the International Grants Meeting, Woking, UK.
- Porter, M., E. (1996) *What is strategy ?* Harvard Business Review (Nov/Dec).
- (1980) *Competitive strategy, techniques for analysing industries and competitors*. New York: Free Press.
- (1985) *Competitive advantage: Creating and sustaining superior performance*. New York: Free Press.
- (1990) *The Competitive Advantage of Nations*. London: Macmillan.
- Powell, W. W. (1991) *Neither market nor hierarchy: network forms of organisation, Markets, Hierarchies & Networks: the Coordination of Social Life*. London: Sage Publications.
- Prahalad, C. K. (1987) *The Multinational Mission: Balancing Local Demands and Global Vision*. New York: Free Press.
- Prahalad, C. K., & Hamel, G. (1990) *The core competence of the corporation*. Harvard Business Review, 68(3): 79-91.
- Ramsie, H. (1996) *Into the Triad*. *The Ecologist*, 26(4): 125.
- Reich, R. (1991): *The Work of Nations*, New York: Alfred A. Knopf.
- Reilly, C. A. (1995). *New Paths to Democratic Development in Latin America: The Rise of NGO-Municipal Collaboration*. Boulder: Lynne Rienner Publishers
- Ricardo, D. ([1817] 1911). *Principles of Political Economy and Taxation*. London: Dent & Sons.
- Rodriguez, C. (1996) *Multinationals, linkages, and economic development*. *The American Economic Review*, 86(4).
- Roller, R. H. (1996) *Strategy formulation in nonprofit social service organisations: A proposed framework*. *Nonprofit Management & Leadership*, 7: 137-153.
- Rossen, P. J., Reid, S. D. (1987) *Managing Export Entry and Expansion*. New York: Praeger.
- Rowley, A. (1997) *Japan's banks set free*. *The Banker* (Jan).

Rugman, A. M. (1982) *New theories of the multinational enterprise: an assessment of internationalization theory*. Bulletin of Economic Research, 38(2): 101-118.

Salamon, L. K., Anheirer, H. K. (1996) *The emerging nonprofit sector: An overview*. Manchester: Manchester University Press.

Salipante, P. F. and Golden-Biddle, K. (1995) *Managing traditionality and strategic change in nonprofit organisations*. Nonprofit Management & Leadership, 6: 3-20.

Segal-Horn, S. (1989) *The Globalisation of Service Firms*. In P. Jones (Ed.), *Management in Service Industries*. London: Pitman Publishing.

Shaver, M. F., F. (2000) *Agglomeration economics, firm heterogeneity, and foreign direct investment in the United States*. Strategic Management Journal, 21(12): 1175-1193.

Sivanandan, A. E. (1998) *The Threat of Globalisation*. Race & Class, 40(2/3).

Smith, A. (1937) *An Inquiry into the Nature and Causes of the Wealth of Nations 1776*. New York: The Modern Library.

Spassford, R., Jupp, V. (1996) *Data Collection and Analysis*. London: Sage.

Spolander, T. C. (1996) *The rhetoric of globalization: What's in a wor(l)d*. International Journal, LI(4).

Sweetern, K. (1996) *Doing business in Japan: Does it pay to act local ?* Harvard Business Review, Sept/Oct: 13.

Taylor, R. (2002) *Interpreting Global Civil Society*. Voluntas: International Journal of Voluntary and Nonprofit Organisations. Vol. 13. No. 4. Dec.

Thomas, A. (1995) *Organisational tensions in international NGOs: Towards a research agenda*. Paper presented at the Researching the Voluntary Sector Conference, NCVO.

----- (1995) *Does democracy matter ? Pointers from a comparison on environmental policies in Zimbabwe and Botswana*. Open University. GECOU Working Papers No 4.

Titmuss, R. (1970) *The gift relationship: from human blood to social policy*. Harmondsworth: Penguin.

Turnbull, P. W. (1987). *A Challenge to the Stages Theory of the Internationalization Process*. Managing Export Entry and Expansion. P. J. a. S. D. R. Rosson. New York. Praeger

Tvedt, T. (2002) *Development NGOs: Actors in a Global Civil Society or in a New International Social System?* Voluntas: International Journal of Voluntary and Nonprofit Organisations. Vol. 13. No. 4. Dec.

- Tyson, J. and Tyson, A. (1995) *Chinese Awakenings: Life stories from the unofficial China*. Boulder Co: Westminster Press.
- UNCTAD. (2003) *FDI statistics*. UNCTAD Press.
- Vermuelen, F. Barka, H. (2002). *Pace Rhythm and Scope: Process Dependence in Building a Profitable Multinational Corporation*. Strategic Management Journal. Vol. 23. No.7.July.
- Vernon, R. (1966) *International Investment and International Trade in the Product Cycle*. Quarterly Journal of Economics, 80(May): 190-102.
- (1983) *Organisational and institutional responses to international risk*. In H. R.J. (Ed.), *Managing International Risk*. Cambridge MA: Cambridge University Press.
- Watson, C. M. (1982) *Counter-competition abroad to protect home markets*. Harvard Business Review, Jan/Feb: 40-42.
- Williamson, O. E. (1975) *Markets and Hierarchies: Analysis and Anti-Trust implications: A study of the economics of internal organisations*. New York: Free Press.
- Wilson, D. C. (1990) *Managing Voluntary and Non-profit Organisations*. London: Routledge.
- (1992) *A Strategy of Change*. London: Thomson Learning.
- Yan, R. (1994) *To reach China's consumers adapt to Guo Qing*. Harvard Business Review, Sep/Oct: 66.
- Yin, R. K. (1994) *Case Study Research: Design and Methods*. London: Sage.
- Yip, G. (1995) *Total Global Strategy*. New Jersey: Prentice Hall.
- Young, R.D. (2001a) *Organisational Identity in Nonprofit Organisations: Strategic and Structural Implications*. Nonprofit Management & Leadership, Vol 12, No2, p139-157.
- Young, R.D. (2001b) *Organisational Identity and the Structure of Nonprofit Umbrella Associations*. Nonprofit Management & Leadership, Vol 11, No3, p289-304.